

Community and other incidents

FINDETER is the Territorial Development Bank of Colombia that plans, structures, finances and executes projects. In the projects where it is executed, technical, administrative, financial, accounting, social, environmental and legal monitoring is carried out, related to the fulfillment of the object of the contract. In particular, the "Social and Reputational Management Guidelines" are applied, which establish the following four components:

- Territorial reading component
- Communication, dissemination and social accompaniment
- Labor component
- Monitoring and evaluation component

With them, the aim is to measure and manage the social and environmental impacts that are generated during the execution of the project.

The emphasis is to prevent incidents with communities and other local actors, which is why the identification of risks is carried out in the pre-contractual, contractual and post-contractual stages to prevent them from materializing. The controls and actions established in the Guidelines that are planned through a Social and Reputational Management Plan (PGSR) for each project, are established from the beginning of the project and are fed during its development, these are socialized and worked with community and institutional actors in order to ensure the transparency and accessibility of information related to the project. Additionally, spaces for dialogue, relationship workshops and progress meetings are generated to have constant contact with the community and involve them in its development.

The execution of the Social and Reputational Management Plan is part of the contractual obligations of the contractors, who must have a social team in the field for its execution. FINDETER and its Responsible Action team, ensures the plan's compliance with the support of the audit, and directs the management to be carried out depending on the needs of each project, classifying the projects in execution according to the qualitative level of social risk. For this reason, in the development of each one of these projects, meetings are generated with the parties, weekly and/or monthly reports where the evolution of each one of them is related, in which not only compliance with PGSR is evidenced, but also the community-contractors-FINDETER relationship and any other relevant information on the project from a social point of view.

According to these, in 2022 no incidents related to the community and/or others were seen.

Human Rights Management (Practices to prevent or mitigate child or forced labor)

In accordance with the aforementioned components, contractors are requested through social guidelines specifically in the labor component, a percentage of unskilled labor, a first job and a percentage of women in the project, with the objective of generating employment in the area, transforming the regions with comprehensive and sustainable solutions and generating economic and social development, thus seeking the promotion of productive and decent employment.

The hiring processes in 2022, although they are the responsibility of the contractor, the reception of resumes and the process of reception of employees must be endorsed by audit and by the FINDETER social team, thus ensuring good management and hiring labor, seeking to prevent forced labor and child labor. The objective and responsibility is the generation of decent work for the area of direct and indirect influence.

In addition, FINDETER has a code of ethics and good governance, which includes a human rights policy, where children's rights play a crucial role.

Management of relations with communities (Cultural preservation)

For the Responsible Action team, the conservation of culture is important for the development of any project, knowledge of culture is the route that will allow us to have an approach with the community, which is why within the progress of the projects we request to the contractor the component of territorial reading which allows to identify the area of influence and a detailed knowledge of the culture, needs and everything related to the community. After acquiring this information is that the Social and Reputational Management Plan is developed, where it is embodied as, when, why and with whom the project will be developed.

Additionally, when working with indigenous, ethnic, or root communities, one or a member of the community is hired, this to preserve the culture, so that they feel identified and that each of the activities that are carried out is in accordance with their community and respect their beliefs.

Correctives or preventives actions

The social and reputational management guidelines are a guide for the construction of community and institutional care routes by contractors and audits.

It is important that the contractors make explicit the different moments of which the project is made up, in order to emphasize the preliminary activities and methodological design, where favorable conditions are generated for the execution of the works. Preventive and corrective actions are activated mainly through the application of the service point mechanism, mandatory in all projects that are part of the COMMUNICATION, DISSEMINATION AND SOCIAL SUPPORT component of the Guidelines. The social team

of each project in execution manages the solution of requests, complaints, claims, complaints and suggestions (PQRDS), which are presented mainly by the communities of the area of influence. This team has the responsibility of responding and having the evidence of satisfaction of the petitioner. These pqr after an analysis with the social team allows the generation of corrective or preventive actions in each project and/or in the guidelines.

Management performance (indicators)

We provided support in the supervision of 421 projects. By 2022, the social risk categorization of the projects that have Social Management was: low social risk 85%, medium social risk 15% and high social risk 10%.

Community relations management(s)

With the execution of the social and reputational management plans, long-term relationships with the community are sought based on knowledge of it and the identification of the impacts that the Entity could generate, which is why spaces are created to carry out activities dialogue and community and institutional exchange led by the social team. Strategies are created that generate and strengthen the social fabric, decent employment is generated in the area, requesting 70% unskilled labor and gender equality with a percentage of 50% of women, thus managing to generate interrelationships between the population and local and regional administrators within a context of double-line communication, in order to enhance its benefits.

Development of Suppliers and Contractors

Within the framework of our Responsible Action Policy, at Findeter we seek to contribute to the sustainable development of the country through the execution of activities, projects and programs that allow us to have a comprehensive offer of products. We seek to be characterized by being generators of positive impact, focused on economic growth, social welfare and respect for the environment. The foregoing by adopting measures of corporate social responsibility, environmental management, respect for human rights, gender equality and social inclusion and sustainable purchases. We achieve this by engaging with stakeholders (including suppliers and contractors) in a comprehensive, transparent, timely, inclusive manner that respects the needs of each one.

In this sense and considering that our vision is to "be the leading development bank that transforms regions into sustainable territories", our operation and the relationship that we offer to users, in addition to economic and technical aspects, contemplates the Environmental, Social and Governance (ASG) components, considering all the components and/or factors that are required to promote sustainable processes.

Due to this, the business lines that have a social component are developed through **Social**

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and Reputational Management Guidelines. The guidelines are built and defined for each project and/or program, making it possible to determine their relevance, strengthen the relationship with communities, strengthen the social fabric, and encourage citizen participation. These **Social and Reputational Management Guidelines** are delivered to our suppliers or contractors (when applicable) to promote good practices in ESG criteria and establish a basis for suppliers, contractors and audits with which we seek to cover the relationship processes with the territory and its population; communication strategies, dissemination and social accompaniment; the promotion of labor relations through the hiring of personnel from the areas of influence; and lastly the monitoring and evaluation of the social impact generated by and with the projects. In relation to the execution projects, the assigned Findeter social team holds a kick-off meeting in which the contractors and auditors are explained and instructed in the application of the **Social and Reputational Management Guidelines**.

In addition to the above, we highlight that within the **Social and Reputational Management Guidelines** implemented from Findeter's Integrated Management System, the economic sustainability of the territories is promoted, so that through this component the contractor, auditor or supplier (when applicable) must consider as requirements:

- Qualified labor: within the qualified personnel of the project, at least 50% must be women, preferably from the region where the project is carried out.
- Unskilled labor: recruit at least 70% of the region's unskilled labor personnel, preferably residents of the project's area of influence.
- First job: recruit at least one qualified professional, considering the following conditions:
 - University academic average as the predominant criterion for the selection.
 - Colombian nationality and/or foreigners who have a valid temporary protection permit, aged between 18 and 28 years of age.
 - Not register affiliation or contribution as a dependent or independent worker to the Comprehensive Social Security System after the date of graduation as a professional.

With the above, the hiring of local labor is promoted, as well as the strengthening and construction of capacities, abilities and improvement of the potentialities of the beneficiary population, applying principles of inclusion, equity, gender, transparency and opportunity. With all the above, Findeter seeks to promote good practices in ESG criteria in its suppliers, contractors and project managers.