



Corporación Interamericana
para el Financiamiento
de Infraestructura S.A.

A Sustainable Future for All

A detailed photograph of a moss terrarium. The terrarium is a semi-circular container filled with a variety of green mosses and small plants. Some plants have large, textured leaves, while others are small and delicate. The background is a light-colored, textured surface, possibly a wall or a backdrop, which makes the greenery stand out.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2020

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From the beginning, our vision has been very clear, and we have evolved significantly over the last 20 years. As an institution, our purpose has been to do things right, reflected in our clear and solid credit policies that have integrated Environmental, Social and Governance factors in our investment cycle.

In 2007, we were among the pioneer financial institutions in Latin America that adhered to the Equator Principles. In 2018, we created the ESG division as a definite stake on our commitment to a world of responsible investment. In 2019, we became members of the Equator Principles Steering Committee leading the Latin American network, and that same year we issued the first Green Bond in Panama.

Through the issuance of the green bond, we offered local investors a unique opportunity to participate in assets with a financially and environmentally responsible return, whilst promoting the Sustainable Development Goals advancement. We are committed to communicating in a transparent manner to our key stakeholders regarding the company's financial performance, as well as the environmental and social performance of the projects we finance through the bond. In the Green Bonds chapter, you will find all relevant information about the Green Bond, including key indicators of socio-environmental impact, which are also available on our website.

The international summits on climate change have highlighted an undeniable reality: our world is under threat and we must act. We anticipate any potential contribution from the private sector as key to maintaining economic, environmental, and social well-being, and to that end, we comply with the best ESG international standards of performance for our industry. In 2020, we initiated an ambitious project with strategic partners to design our Climate Change Strategy. Although it started in a very complex year, we have culminated with a clear work plan, much to our satisfaction. We are going to explain our progress in the section Our Initiatives.

Over the years, we have understood that sustainability is more than risk management, and we began to measure the positive impact generated by our investments. As a responsible company, we compile the efforts dedicated each year to improving our environmental and social performance, not only at the projects' level, but also at the corporate level. In the Impact of Our Investments chapter, we show you the results.

As CEO of CIFI, I am proud to witness the evolution of our commitment and “step into action” to be a relevant player that promotes responsible investment practices aligned with the Sustainable Development Goals.



Cesar Cañedo-Argüelles
Chief Executive Officer

Despite all the challenges that 2020 brought upon us, our ESG Department had a prolific year in terms of progress towards building a more sustainable and resilient company. Since 2018, after the creation of the ESG Department as a separate unit within CIFI, with direct representation at the company's management, our priority was to define a path to increasingly mainstream sustainability in all our operations.

Part of that interesting process took us to find the right partners to advise us and support us in such an important task. In 2019, with support from Sustainability (today The Sustainability Institute by ERM), and technical assistance funds from responsAbility (GCPF), we developed an ESG Strategy for CIFI. The results from that exercise brought to our attention topics that were highly relevant in our materiality matrix that required additional work on our behalf.

Climate Change, Human Rights and Gender Equality, are all areas in which CIFI had been working in the past, but more needed to be done to achieve our vision to champion and deliver transformational long-term change and positive impact to all our stakeholders.

Deriving from our ESG Strategy, we engaged again with our partners from responsAbility and South Pole to conduct a first assessment of our exposure to Climate Risk, our Green House Gases Footprint, and a Roadmap to Align CIFI with a 1.5°C scenario. We will share our initial results from that challenging but inspiring work with you in this report.

In addition to work with South Pole on Climate Change, responsAbility collaborated with us to improve our Risk Categorization Tool (proprietary of CIFI) in benefit of CIFI and with the intention of developing similar tools to support their clients in assessing and quantifying E&S risks in their credit process. It was very satisfactory for us to be able to offer our experience to others that share our values in becoming responsible lenders. As a result, our new and improved tool includes all the key topics that we identified in our materiality matrix developed in 2019. Our risk assessment prior to investing is now more accurate and reflects our risk appetite in a moderate fashion in line with trends we observe in our day-to-day business practices.

Human Rights has always been a top priority in all our financing activities, incorporating special assessments in projects that posed risks or could potentially exacerbate negative impacts towards vulnerable populations, including not respecting their Human Rights. More recently, the topic has been amply discussed in our sector due to valid concerns from key stakeholders. As members of the Equator Principles Association, CIFI adopted the new version IV released



Carla Chizmar
Head of ESG

in 2020, that specifically requests Equator Principles Financial Institutions to “respect Human Rights in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs) by carrying out human rights due diligence”. An essential part of fulfilling this task required us to review our entire investment process, develop policies and procedures accordingly, and revise our contractual requirements to reflect such additional aspects to ensure compliance.

A Board of Directors mandate led us to develop our first Gender Equality Strategy in 2019 along with a 3-year road map to set our targets and monitor progress. Our policy reflected the values of the company, but also reinforced a critical aspect, which is very simple “Gender Equality makes economic and business sense”. Our goals include an increased representation of women in our Board of Directors, which we addressed in 2020, and to increase our female representation at the Management level, and in mid-level positions. Our plan was very ambitious looking for ways to bring our clients on board as well. In that regard, 2020 was a year which hindered that progress, but we continue to work hard to make it a reality. Our Human Resources manager conducted assessments and adjustments on compensation, evaluated gender distribution within CIFI to promote women’s career paths to further develop, designed specific policies to address gender bias during recruitment, and conducted surveys to learn the perspectives of our workforce on how they understand Gender Equality.

Along with the growing positive outcomes of our ESG Strategy, CIFI is also proud to highlight that this report was entirely written, revised, translated, and designed by women. In line with the company’s commitment to gender equality, we think recognition is an important part of the task.

The positive impact of our financing activities showed its resilience during the COVID-19 crisis, supporting local economies by providing 12,710 jobs and clean energy access to over 1.8 million people in the region. Capacity building and training in E&S matters increased significantly during the year taking advantage of the flexible “work from home” scenario that reflects the commitment of our clients to improve their performance in ESG.

Social contributions from our clients towards the communities in which they operate during COVID-19 relief efforts amounted to US\$ 764,536, showing the empathy and good standing relations they maintain with their local stakeholders. In 2020, our renewable energy portfolio grew to become 45.4% of our exposure in the region, allowing a significant reduction in the region’s Carbon Footprint positively contributing towards Climate Change mitigation efforts with 933,355 tCO₂eq emissions avoided.

Finally, all this hard work paid off at the end of the year to reflect such important achievements in a major revision, with support from Social Capital Group, of our Environmental and Social Management System. The largest revision since the first version in 2005. The new ESMS 9.0 was approved by the Board of Directors in March of 2021.

My last words to the readers are that the road to sustainability is not a “one size fits all” model. Rather, it is a constant “work in progress” that needs to have the full support from the highest level within any organization to make it a reality. CIFI is committed to sustainability from the core of the organization and shall remain exceeding its goals constantly to fulfill our vision.



EXECUTIVE SUMMARY



Environmental, Social and
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CIFI is a regional non-bank financial institution that began operations in July 2001. According to CIFI’s 2020 Financial Annual Report, CIFI’s total equity (share capital, additional paid-in capital, and retained earnings) was US\$ 104.9MM, and total liabilities (at amortized cost: loans payable, bonds, commercial paper; accrued interest payable, and other accounts payable) were US\$ 378.7MM as of December 31st, 2020.

CIFI specializes in providing debt financing for private sector-sponsored infrastructure projects in Latin America and the Caribbean. To date, CIFI has participated in financing more than 200 transactions representing a total investment of US\$ 1.7 billion.

CIFI has a unique shareholder structure comprised of 61.07% from development financial institutions, 18.25% from International Banks, and 20.68% is the senior management. The Norwegian Investment Fund for Developing Countries (Norfund), with 34.30% of CIFI’s capital stock, remains the major shareholder.

The ESG Report 2020 represents an effort to continuously improve our transparency to disclose all relevant information to our key stakeholders.

The report is prepared by the Environmental, Social, and Governance (ESG) Department of CIFI under close collaboration from other management units. As part of our governance structure, it constitutes CIFI’s Environmental, Social, and Governance Report for the 2020 fiscal year (January 1st through December 31st, 2020).

The ESG Report 2020 reviews CIFI’s implementation of its Environmental and Social Management System as a self-assessment of CIFI’s alignment with applicable E&S internal policies based on international standards. Furthermore, the review identifies opportunities for future improvement and increasing governance effectiveness in environmental and social risk management. This report encompasses active loans in 2020, including those disbursed in 2020 and those retained from 2019.

The performance of our portfolio in ESG risk management, while ensuring fair returns, is a fundamental part of our business model. However, our vision is to ensure that those returns are in line with our values and strategic planning, increasingly promoting a higher positive impact in addition to risk management. It is in that spirit, that this year we improved our data collection from clients and within our organization to present a more comprehensive report that includes how ESG is mainstreamed throughout our operations and the results from those efforts.

Our Key Risk Indicator was 1.34 at the end of 2020, showing a lower ESG risk than our target ≤ 1.5 . The maximum value is 3.0. This is the result of a collaborative effort from all units to ensure good governance over our portfolio. During 2019, CIFI’s portfolio underwent a significant overhaul that continued through 2020 due to the COVID-19 pandemic. As challenging as it might have been, it was an opportunity for us to review compliance, include Corrective Action Plans and enforce ESG compliance through the new legal agreements.

CIFI’s portfolio consistently maintains a higher percentage of B category loans (medium risk), accounting for 85.5%. The trend is related to the size of the projects in accordance with the middle market and our risk appetite.

Risk Categorization of 2020 Projects

CATEGORY A	9.1%
CATEGORY B+	1.8%
CATEGORY B	85.5%
CATEGORY C	3.6%



In 2020, our corporate carbon emissions excluding investments amounted to 119 tCO₂eq. As part of our effort to improve our transparency, we engaged in a project to measure the carbon footprint of our investments in a more accurate fashion. Thanks to the kind support of our clients (62% of the portfolio), we were able to incorporate physical data in our calculations to improve from scope 1 and 2 to scope 3 (improved accuracy of data), reflecting that the carbon footprint of our portfolio was 95,991 tCO₂eq in 2020. In contrast, the projects in our renewable energy portfolio (45.4% of the total) contributed to avoiding 933,355 tCO₂eq to the environment and benefitted 1.8 million people in Latin America providing clean energy.

In a challenging year for Latin America, such as 2020, job creation and maintenance were key, demonstrating that Infrastructure is a highly resilient sector. We observed a reduction in job creation during 2020 compared with 2019 (14,612), mostly related to the stoppage of construction works. However, 12,710 jobs were sustained thanks to the continuous operation of projects classified as highly relevant for countries around the region, such as energy, logistics, transport, and many more.

Following our commitment with transparency, this is a comprehensive report that reflects financial, environmental, social and governance performance.

Illustrative photo (Source: CIFI Photo)



85.5% of our Portfolio is category B,
considered médium risk, manageable through
mitigation measures.

OUR INITIATIVES



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Progress towards our ESG objectives in 2020

Governance

- Finalized our ESG Strategy.
- Upgraded our ESG Risk Categorization Tool.
- Initiated an ESMS revision which finalized in the first trimester of 2021.

Transparency and reporting

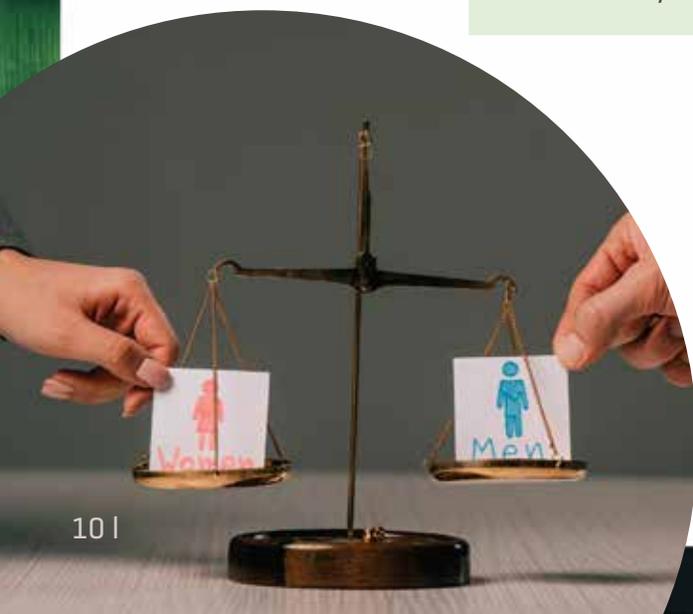
- Improved data collection (quantity and quality).
- Increased our metrics for risk management and positive impact.
- 2020 Report incorporates all financial and ESG key performance metrics.
- Prepared a Transparency and Reporting Guideline with consultants from sustainAbility.

Gender Equality

- Created a Gender Equality Task Force.
- Conducted a Gender Equality Survey to understand staff perceptions on gender issues.
- Prepared a Capacity Building Plan for 2021 with support from specialized consultants.
- Board of Directors' female participation increased by one (1) position.
- Company positive wide compensation evaluation.
- Almost identical turnover between female and male employees.
- Promoted the same number of female and male staff, effective in 2021.

Climate Change Strategy

- Developed a Climate Change Policy.
- Assessed our portfolio's Climate Risk.
- Initiated a 3-year data collection plan (2019-2021) to improve our GHG footprint accuracy and to set targets to align to a 1.5°C global warming scenario.
- Increased the accuracy of our GHG footprint calculations.
- Included a Climate Risks evaluation during the investment Cycle.
- Our Renewable Energy Portfolio continued growing.



Illustrative photo (Source: Stock Photo)

Climate Change Strategy

In 2019, we developed our ESG Strategy with support from SustainAbility (today the SustainAbility Institute by ERM), with a clear materiality matrix identifying Climate Change as one of our key priorities with the highest impact on our performance. Immediately after, we engaged with our longtime partner responsAbility (GCPF) to work on a proposal to assess CIFI's current state of Climate Risk and determine a path to reduce our Carbon Footprint.

During 2020, we worked with South Pole, a firm dedicated to sustainability and climate change advisory, in a three-Phased project: i) High-level Carbon Footprint (2019), climate risk assessment and peer practices, ii) Decarbonization Pathways (2020 GHG footprint scope 1 and 2), and iii) GHG Footprint scope 3 for 2020.

In parallel, CIFI conducted a revision and update of its Environmental and Social Management System, including developing a Climate Change Policy and procedures to assess Climate Risk in our investment cycle. Finally, as part of our ESG Strategy, we also defined our Transparency approach around climate change and other key ESG matters.

Our efforts demanded that the entire company receive training in Climate Change Risks and Impacts and GHG footprint at a more technical level.

The initial results from this exercise were positive but confirmed a key aspect: more quantity and quality data were needed to set specific targets.

Climate Change Policy*

The global community, through the UNFCCC, has identified the financial sector as a crucial actor in the fight against climate change. CIFI fully acknowledges the financial sector's responsibility for achieving the Paris Agreement's objectives on climate change through its investment decisions and its corporate operations and mitigation plans. Furthermore, CIFI has decided to spearhead the necessary transition of financial institutions in Latin America and raise ambitions to align with a 1.5°C global warming scenario economy.

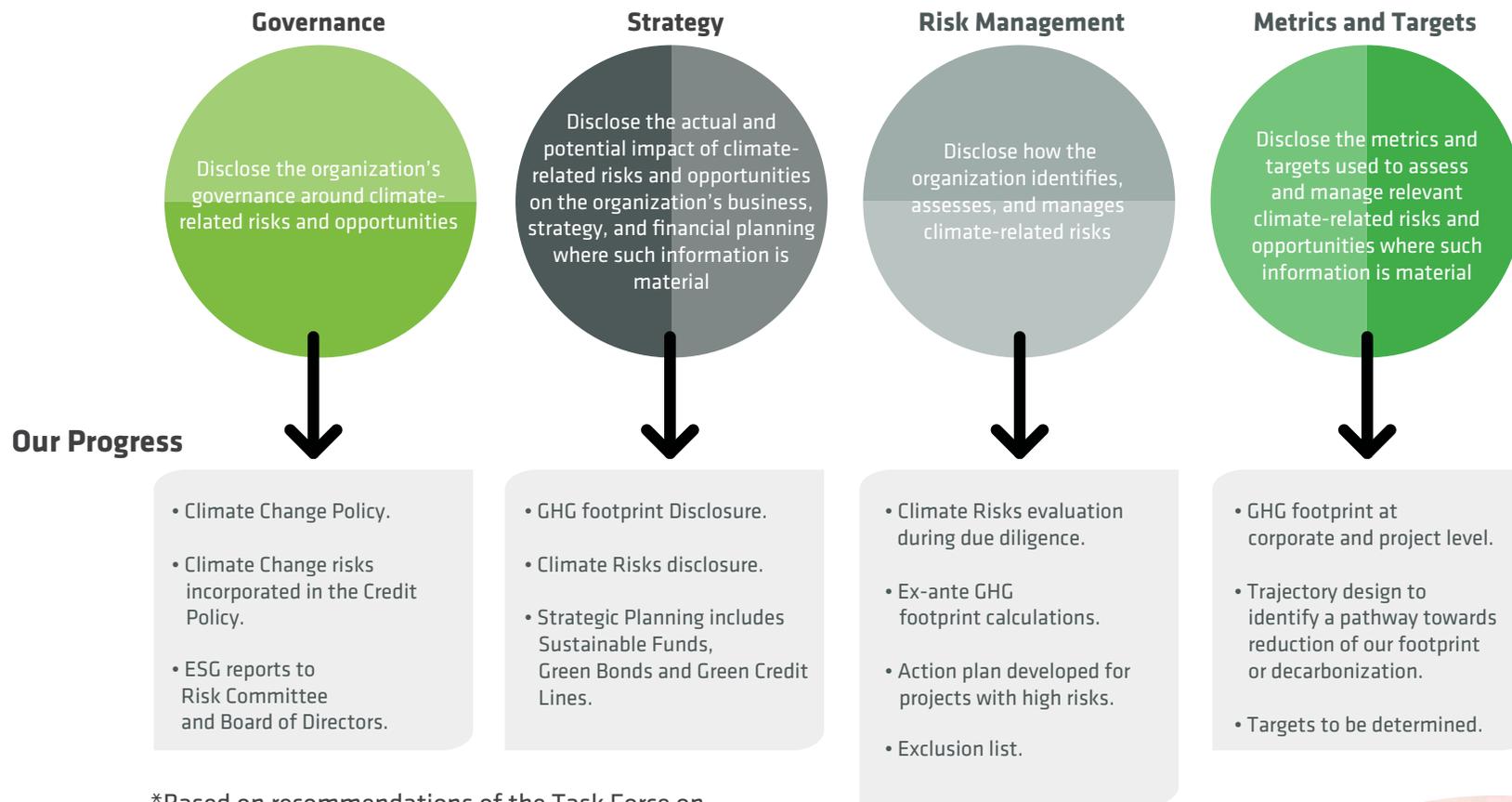
CIFI recognizes climate change risks and impacts as a global challenge and aims to identify and manage those risks by financing projects aligned with the Paris Agreement, Good International Industry Practices, the Sustainable Development Goals, and the Task Force on Climate-Related Financial Disclosures (TCFD). To this end, CIFI will:

- Adopt a high-level commitment to act.
- Assess physical and transitional climate risks and impacts before investing through the due diligence process.
- Develop adaptation and mitigation strategies at the project level for risks and impacts identified during due diligence.
- Measure financed GHG emissions during the life of the loan.
- Conduct scenario analysis and disclose residual, unmitigated risks to relevant stakeholders to inform decision making.
- Establish targets in line with a market-driven business strategy following global trends.
- Report progress to relevant stakeholders through regular TCFD reporting.

*CIFI's Climate Change Policy was approved in March 2021.



Elements of recommended Climate- related Financial Disclosures*



*Based on recommendations of the Task Force on Climate-related financial disclosures.



Illustrative photo (Source: Stock Photo)

Climate Risks Assessments

High-level transition risk analysis

- The weighted avg. portfolio risk score demonstrates the portfolio's low exposure to a Sustainable Development Scenario at a portfolio level.
- The analysis was based on historical portfolio composition. Projects with the highest risk evaluated are no longer part of our portfolio. The current transitional risk exposure is likely lower than the historical.
- Most exposed investments are projects in the Materials and Energy sectors (e.g., construction, oil, and gas investments) due to the carbon intensity associated with these investments.
- Strong climate action to meet a 2-degree target is likely to affect the revenue of projects in these sectors due to policy responses such as a price on carbon. However, our average loan tenor (effective) is approx. 5 years, reducing our exposure considerably.
- CIFI's current exposure to Oil and Gas sector is 4.7%. In contrast, our renewable energy portfolio represents 45.4%.

High-level physical risk analysis

- The weighted avg. portfolio risk score demonstrates the portfolio's moderate exposure to a scenario modeling a 2°C temp. increase.
- Most exposed investments are projects in the Energy and Consumer Staples sectors.
- The assessment was conducted based on historical exposure. Our current combined exposure between Consumer Staples (Santander Sugar) and Alternative Fuels is 5.5%. Both depending on sugar cane as raw material for energy production.
- CIFI does not finance agribusiness, considerably reducing our exposure to this type of risk.
- High risk is due to the exposure of these projects to climate-related hazards, the vulnerability from location, and activities carried out.
- Energy projects developed in regions vulnerable to climate change (i.e., The Caribbean) might pose a higher risk due to natural disasters' increased frequency and intensity.

KEY KPI'S

	2020	2019
Carbon Footprint Corporate		
ton CO ₂ eq/employee	4	9.7
Total ton CO ₂ eq emissions	119	380
Carbon Footprint Portfolio(*)		
Total ton CO ₂ eq (scope 1 and 2)	45,092	96,410
Total ton CO ₂ eq (scope 1, 2 and 3)	95,991	176,482
ton CO ₂ eq/mUSD (scope 1 and 2)	123	271
ton CO ₂ eq/mUSD (scope 1,2 and 3)	261	496
Positive Impact(**)		
Avoided emissions (in tonCO ₂ eq)	933,355	1,473,248

(*) Carbon Footprint calculations methodology “A Corporate Accounting and Reporting Standars”, “Corporate Value Chain (Scope 3) Accounting and Reporting Standard” - Green House Protocol, “The Globa GHG Accounting & Reporting Standard for the Financial Industry” - PCAF.

(**) Avoided emissions were calculated based the entire renewable energy portfolio using emission factors from open-sources UNFCCC and IGES.

Illustrative photo (Source: Photo Stock)





OVERVIEW



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Vision

We champion and deliver transformational, long-term, positive impact for our clients, employees, investors, society, and the environment, whilst providing sustainable returns globally.

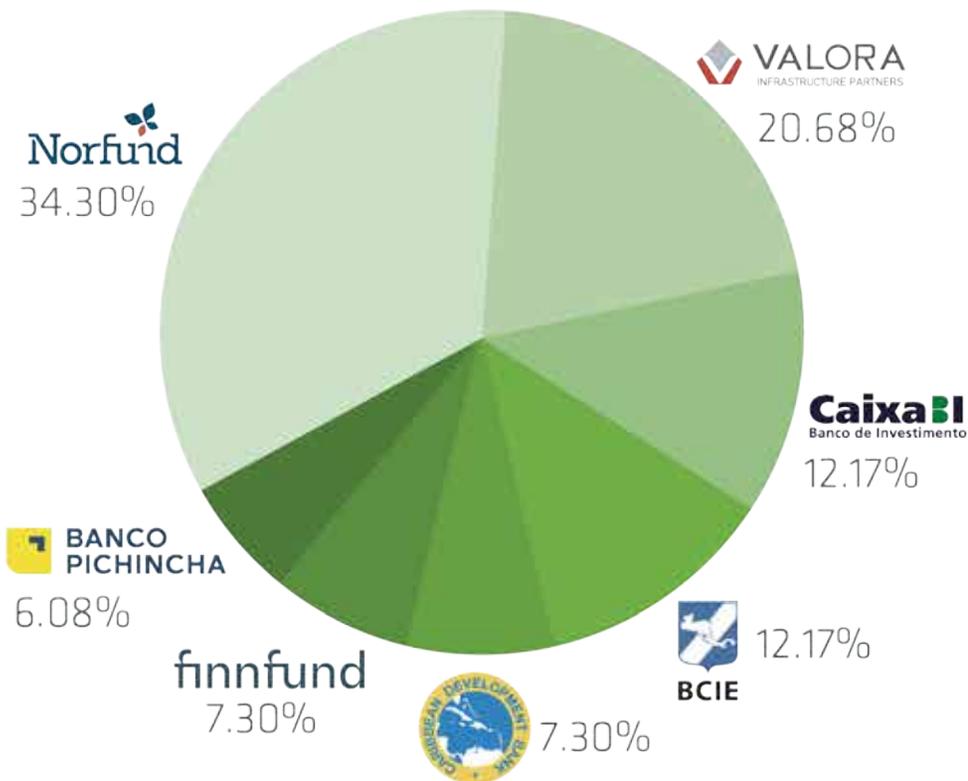
CIFI is a regional non-bank financial institution currently based in Panama that began operations in July 2001 in Washington DC. According to CIFI's 2020 Financial Annual Report, CIFI's total equity (share capital, additional paid-in capital, and retained earnings) was US\$ 104.9MM, and total liabilities (at amortized cost: loans payable, bonds, commercial paper; accrued interest payable, and other accounts payable) were US\$ 378.7MM as of December 31, 2020. CIFI's shareholders include multilateral financial institutions, banks, and funds.

CIFI specializes in providing debt financing for private sector-sponsored infrastructure projects in the Latin America and the Caribbean region. It participates in a limited range of infrastructure lending transactions and its business model is based on having an efficient organization with a lean and effective core staff. At the same time, it is committed to effectively and comprehensively managing and minimizing E&S risk and ensuring that its projects are consistent with international standards, including the IFC Performance Standards and Equator Principles, which CIFI has adopted.



Illustrative photo (Source: Photo Stock)

CIFI strives to be the leading provider
of finance for energy and infrastructure
development in Latin America and
the Caribbean.



PRODUCTS



SHAREHOLDERS

CIFI has a unique shareholder structure comprised as follows:

61.07%

DFIs

18.25%

International Banks

20.68%

CIFI's Management

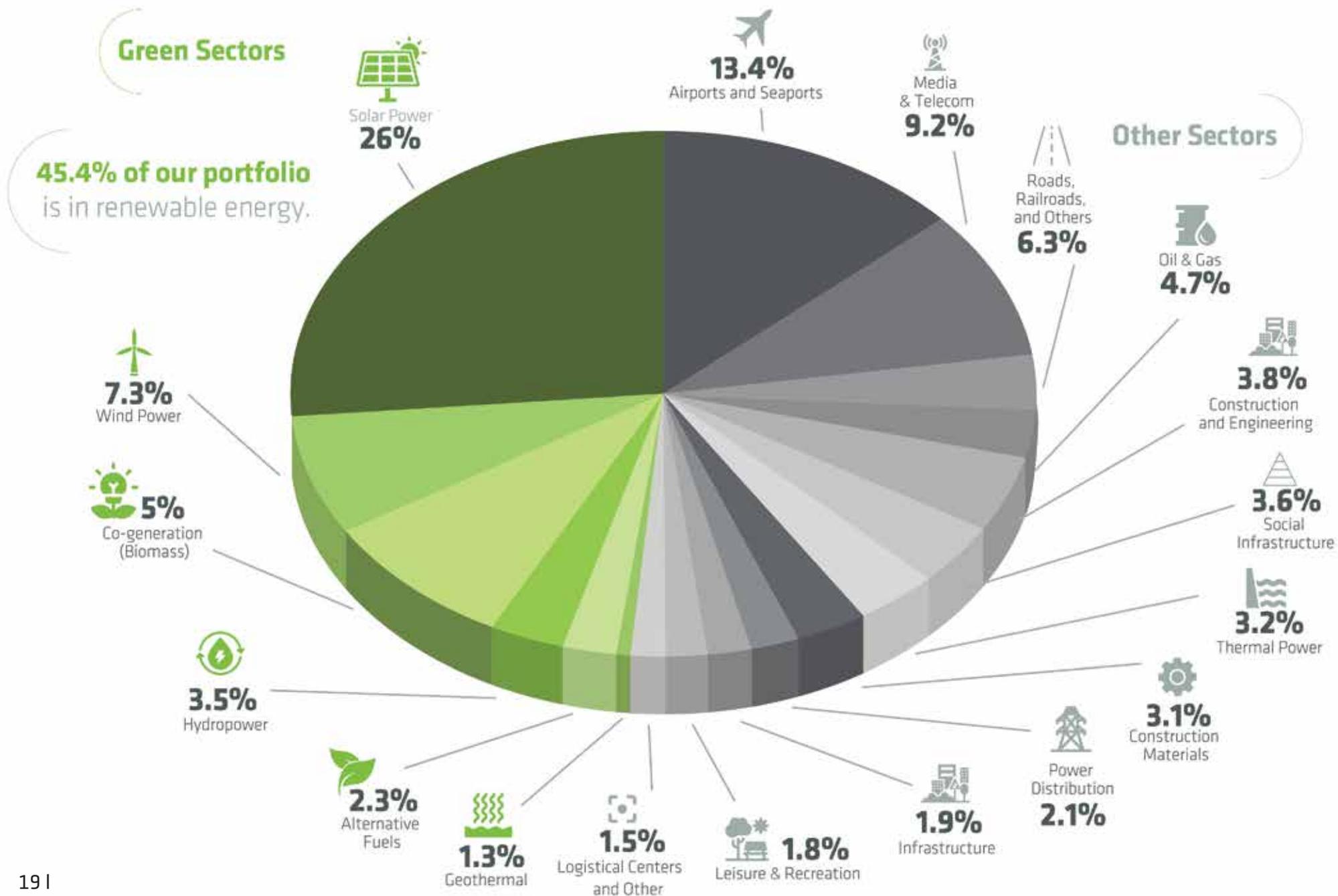
SERVICES



Balance Figures	2017	2018	2019	2020
Total Loans Portfolio	352,576	365,468	389,250	394,695
Total Assets	389,961	382,347	427,197	483,547
Total Debt	289,716	282,309	320,352	361,457
Total Liabilities	291,186	284,670	328,325	378,677
Equity	98,776	97,677	98,872	104,869
PnL Figures				
Total Interest Income	26,122	33,154	33,674	27,793
Total Interest Expense	12,948	16,347	17,763	16,263
Net Interest Income	13,174	16,807	15,911	11,531
Advisory and Structuring Fees	7,553	6,748	6,732	9,685
Operating Income	20,730	23,729	22,761	25,039
Financial Indicators Solvency				
ROE	7.9%	8.4%	8.4%	9.5%
Equity to Assets	25%	26%	23%	22%
Equity to Loan Portfolio	28%	27%	25%	27%
Capital Adequacy	25.47%	14%*	13.04%	13.37%

Figures in US Dollars

*Capital adequacy policy 12.50% based on Basel II.



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Portfolio by Country (percentage, US\$ disbursed)





IMPACT OF OUR INVESTMENTS



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Environmental Indicators

2020

  	Energy Generation Millions of kWh	2,517
   	Hazardous waste disposal (kg)	29,016
 	Number of plants/trees	888
  	Operational installed capacity (MW)	696
 	Recycled waste (tons)	32
  	Reforested Hectares	9
	Solid waste treatment (tons)	56
	Ton CO2eq emissions avoided	933,355
 	Treated wastewater (gallons)	422,400
 	Used oils proper final disposal (liters)	143,540



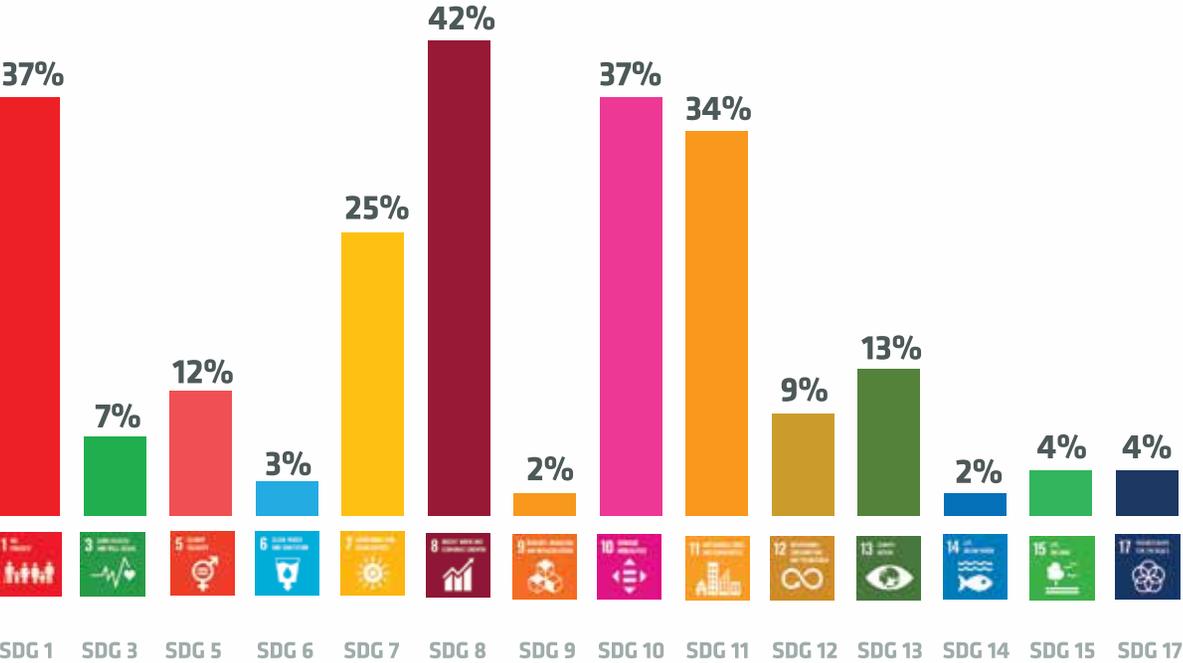
Illustrative photo (Source: Photo Stock)

Social Indicators

2020

		People benefited from access to energy / year	2,082,260
		Telecommunication towers	3,381
		Female jobs	1,533
		Skilled jobs	499
		Non-skilled jobs	12,129
		Managerial positions	82
		Donation for COVID-19 (USD)	122,678
		Training beneficiaries	1,760
		Donation for Social Contribution (USD)	641,858
		Roads constructed or with maintenance (km)	609
		Technical training beneficiaries	308
		Transmission line (km)	28
		Jobs created or sustained through our loans (direct/indirect)	12,710

Impact of our investments throughout the Sustainable Development GOALS



GREEN BONDS



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Download here

GREEN BONDS FRAMEWORK

SECOND PARTY OPINION

Green Bond Series Issued

YEAR	GREEN BONDS	MATURITY DATE	ISSUED AMOUNT	CARRYING AMOUNT
2019	Serie A	2022	\$ 14,997,000	\$ 14,997,000
	Serie B	2024	\$ 12,000,000	\$ 26,997,000
	Serie C	2024	\$ 995,000	\$ 27,992,000
	Serie D	2024	\$ 7,000,000	\$ 34,992,000
	Serie E	2024	\$ 7,000,000	\$ 41,992,000
2020	Serie F	2023	\$ 500,000	\$ 42,492,000
	Serie G	2023	\$ 1,000,000	\$ 43,492,000
	Serie H	2021	\$ 250,000	\$ 43,742,000
	Serie I	2022	\$ 4,000,000	\$ 47,742,000
	Serie J	2023	\$ 2,000,000	\$ 49,742,000
	Serie K	2022	\$ 1,000,000	\$ 50,742,000

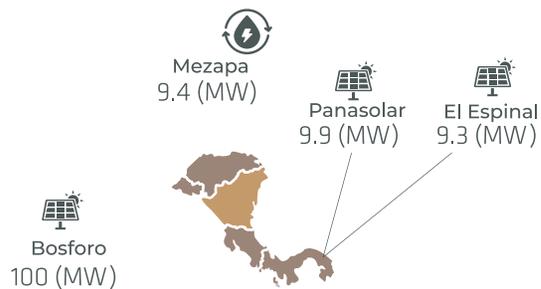
Projects included in Green Bond Program

DEAL	DATE FUNDED	SERIES	DISBURSEMENT
Mezapa	9/29/2017	Serie A	\$ 13,000,000
San Juan	7/10/2018	Serie A	\$ 1,439,570
San Juan	10/12/2018	Serie B	\$ 4,240,259
San Juan	4/12/2019	Serie B	\$ 1,120,661
San Juan	7/10/2018	Serie B	\$ 6,782,527
GR Tineo SpA	3/23/2018	Serie C	\$ 1,010,643
GR Lingue SpA	10/20/2017	Serie F	\$ 1,320,816
El Espinal	3/28/2018	Serie D	\$ 3,001,894
El Espinal	5/30/2018	Serie D	\$ 1,062,286
Bosforo	5/14/2018	Serie D	\$ 2,511,558
Bosforo	12/3/2018	Serie D	\$ 3,115,561
Bosforo	3/25/2019	Serie E	\$ 1,016,949
Bosforo	11/23/2018	Serie E	\$ 2,500,000
Bosforo	11/23/2018	Serie E	\$ 2,500,000
Bosforo	12/9/2019	Serie G + H	\$ 1,118,644
Bosforo	9/16/2019	Serie I	\$ 2,237,288
Panasolar	9/2/2020	Serie J + K	\$ 6,607,713



DEAL	COUNTRY	SECTOR	INSTALLED CAPACITY (MW)	ANNUAL GENERATION (MW)	ANNUAL GHG EMISSIONS AVOIDED (ton CO ₂ eq)	PEOPLE WITH CLEAN ENERGY ACCESS
Mezapa	Honduras	Hydropower	9.4	42,511	20,108	68,585
San Juan	Argentina	Solar Power	80	222,710	110,687	72,433
GR Tineo SpA	Chile	Solar Power	3	5,661	3,012	1,459
GR Lingue SpA	Chile	Solar Power	6.8	12,752	3,373	3,286
El Espinal	Panama	Solar Power	9.3	12,084	6,658	5,330
Bosforo	El Salvador	Solar Power	100	226,176	154,252	241,365
Panasolar	Panama	Solar Power	9.9	14,300	7,879	6,927
TOTAL			218.40	536,194	305,969	399,385

Central America



South America



GOVERNANCE



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An engaged Board of Directors with broad investment

and banking experience provides strategic direction and oversight strongly aligned with ESG standards.

CIFI is governed by high international standards that are reflected in its principles, policies, processes and management guidelines, with the aim of promoting, managing and ensuring a culture based on transparency at the corporate level in each of its subsidiaries.

Our robust corporate governance structure includes a diversified shareholder base with an effective Board of Directors that reflects our commitment to responsible and sustainable business practices.

Board of Directors



Javier Escorriola
President of the Board
Regional Director for Norfund



Alison Harwood
Independent Director



Per Aage Jacobsen
Independent & member of Norfund
Investment Committee



Judith de Barany
Independent Director



Pertti Nurmio
Independent & member of FINNFUND
Investment Committee



Mauricio Orellana
Independent Director



Joaquim Souza
Caixa BI



Carlos Sanchez
BCIE

Risk Committee

- Per Aage Jacobsen*
- Mauricio Orellana*
- Carlos Sánchez

Audit Committee

- Javier Escarriola
- Judith de Barany*
- Terry McCoy*

Compensation & Corporate Governance

- Javier Escarriola
- Mauricio Orellana*
- Judith de Barany*

Credit Committee

- Cesar Cañedo-Arguelles
- Fabio Arciniegas
- José Salaverría
- Juan Pablo Moreno*
- Ana Maria Vidaurre*

*Independent Members

Our Management Team



Cesar Cañedo-Arguelles
CEO



Arturo de Bernard
CFO & Investor Relations



Carla Chízar
Environmental & Social



Ramon Candia
Origination & Structuring



Jose Salaverria
Compliance & Legal



Fabio Arciniegas
Credit & Risk

CIFI is committed to fostering sustainable development in Latin America and the Caribbean by maximizing positive environmental and social outcomes whenever possible in the projects in which it invests. CIFI believes that enhancing the social and environmental sustainability of the projects it supports is a sound, prudent business practice, which can reduce risks, enhance long-term project sustainability, and generate positive benefits to local communities. Accordingly, CIFI is committed to mainstream sustainability in its operations by building ESG factors into the investment process and by adhering to the highest international standards of good practices.

CIFI's Policy Framework incorporates the policies, plans, and standards adopted to advance its commitment to sustainability regarding internal governance as well as those that are specifically applicable to its procedures for screening, assessment, and approval of projects for potential funding.

Accordingly, CIFI has fully incorporated an Environmental and Social Management System (ESMS) into its investment cycle founded upon its Environmental, Social, and Governance (ESG) policy commitments, performance standards enunciated in the latest version of the Equator Principles (EPs), and the Performance Standards on Environmental and Social Sustainability of the International Finance Corporation 2012 (IFC PS). Through the ESMS, CIFI seeks to ensure the projects it finances rest on sound, equitable environmental and social systems that contribute to sustainable growth in Latin America and the Caribbean.

Policies

- ESG Policy.
- Climate Change Policy.
- Human Rights Statement.
- Gender Equality Policy.
- External (EGM) and Internal (IGM) Grievance Mechanisms.
- Exclusion List.

Sustainability Standards

- The Equator Principles (EP4), version 4.
- The International Financial Corporation's Performance Standards on Environmental and Social Sustainability.
- World Bank/IFC Environmental Health and Safety (EHS) Guidelines.
- The United Nations Guiding Principles on Business and Human Rights.
- National Laws and Regulations affecting Environmental, Social and Labor matters.





Board of Directors Approves E&S policies, procedures, and Key Performance Indicators (KPIs)

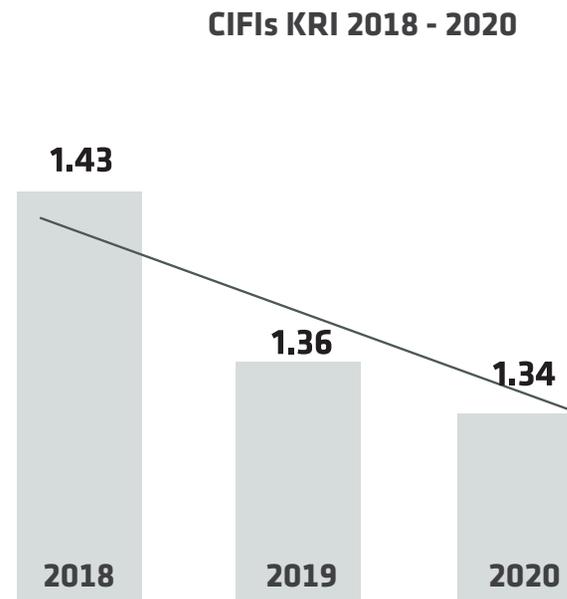
Risk Committee Evaluates and recommends the approval of E&S policies and procedures to the Board of Directors, specially those concerned with the identification of risks.

Credit Committee Evaluates and approves financing proposals, including E&S risks.

In 2018, CIFI's Board of Directors approved an ESG Key Risk Indicator (KRI) that informs the Board about the performance of the portfolio as well as CIFI's capacity to monitor and manage risks and apply its ESMS. Complemented by the information and analysis offered by the Risk Categorization Tool, the KRI was developed by the ESG department in accordance with the ESMS, risk appetite, previous experience, and stakeholder requirements.

CIFI's initial goal is to maintain a KRI of ≤ 1.5 , which indicates good overall performance and conservative risk exposure for projects that CIFI finances. The baseline KRI from 2018 was 1.43. Tables below describe each parameter to measure the overall performance of the portfolio in relation to three aspects: (i) Risk Category (A to C) assigned at the due diligence, (ii) Environmental and Social Action Plan Compliance in accordance with legal documentation, and (iii) Tier assigned in the portfolio.

CATEGORY		RISK LEVEL
	A	High Risk
	B+	Med-high risk
	B	Med-Risk
	C	Low-Risk
ESAP COMPLIANCE		
	Non-compliance	High Risk
	Mostly in compliance	Med-high risk
	In compliance	Med-Risk
	N/A	Low-Risk
TIER		
	III (E&S default)	High Risk
	Watchlist (at risk)	Med-high risk
	II (average performance)	Med-Risk
	I (good performance)	Low-Risk



1.0 - Low Risk
3.0 - High Risk

ANNEXES



Environmental, Social and
GOVERNANCE REPORT
2020

BCIE	Banco Centroamericano de Integración Económica
CAF	Banco de Desarrollo de América Latina
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIFI	Corporación Interamericana para el Financiamiento de Infraestructura S.A.
COVID-19	Coronavirus disease
E&S	Environmental and Social
EGM	External Grievance Mechanisms
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESG	Environmental, Social, and Governance
ESMS	Environmental and Social Management System
ESW	Environmental and Social Watchlist
ETC	Ecuador Tower Company
FINNFUND	Finnish Fund for Industrial Cooperation, Ltd.
GCPF	Global Climate Partnership Fund
GHG	Greenhouse gases
HSBC	The Hong Kong and Shanghai Banking Corporation
IDB	Invest: Inter-American Investment Corporation
IFC	International Finance Corporation
IGM	Internal Grievance Mechanism
Kg	Kilogram
Km	Kilometer
kWh	kilowatt-hour
KPIs	Key Performance Indicators
MW	Megawatts
MWh	Megawatts hour
NORFUND	Norwegian Investment Fund for De
PS	Performance Standard
ROE	Return of Equity
tCO ₂ eq	Tons of Carbon dioxide equivalent
TCFD	Task Force on Climate-related Financial Disclosures
UNFCCC	United Nations Framework Convention on Climate Change
UNGPs	United Nations Guiding Principles on Business and Human Rights





Corporación Interamericana
para el Financiamiento
de Infraestructura S.A.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2020

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