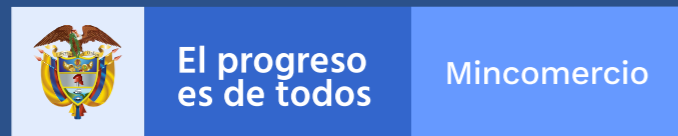


**3<sup>rd</sup> GREEN BONDS**  
ANNUAL REPORT 2020





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**José Manuel Restrepo Abondano**  
Ministry of Trade, Industry and Tourism

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**Javier Díaz Fajardo**  
President of Bancóldex

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**Claudia María González Arteaga**  
Chief Financial Officer

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**Jaime Buriticá Leal**  
Head of Treasury

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**Sustainable Development  
and MSMEs Department**  
Bancóldex

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**Communications and Press Office**  
Bancóldex

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**Felipe Castellanos**  
Design

---

**Colombia**  
2020.

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# LETTER FROM OUR PRESIDENT

By:  
**Javier Díaz Fajardo**  
President of Bancóldex

*The COVID-19 pandemic has meant, beyond the economic and social impact, an opportunity to rethink economic growth and the relationship with the resources that the environment provides us.*

In this sense, green recovery has gained importance in different countries as one of the strategies to overcome economic damages. This recovery is focused on stimulating the economy by financing projects that have an environmental component. The current economic and social situation worldwide is the occasion to delve into a sustainable and environmentally friendly economic model as it points out the importance of making this transition.

At Bancóldex we have been working for a long time on implementing financial products that allow future generations to live in better conditions and achieve a more harmonious relationship with the services that nature provides us. Thus, we issued green bonds on the local market in 2017, and social bonds in 2018. In the case of the green bonds, we seek to boost companies' projects aimed at the transition towards an economy resilient to climate change and low-carbon, along with sending a clear signal to the market for more money to be invested in sustainability.

Since 2017, we have managed to fund 308 projects that aim to reduce carbon emissions and mitigate environmental impact. More than half of these projects (159 projects) are focused on energy efficiency issues, followed by those aimed at pollution control and resource efficiency (106).

Consequently, we are very proud to present our results of the use of resources of the green bond issuance during the year 2019, in line

with the Principles of Green Bonds established by the International Capital Market Association (ICMA). We hope, in 2020, to continue investing in the transformation towards a sustainable economy, mitigating the impacts and reducing emissions from the productive sector in the country, investing in sustainable businesses, while contributing to the economic development and growth of Colombian companies such as welfare generation mechanism for all Colombians.

With these results, we hope that more investors will join this crusade and that we all can be convinced that change is possible, that we are still in time to achieve the established environmental goals and that green, responsible and profitable investments can bring us closer to a future where we have a more responsible use of natural resources and the environment.

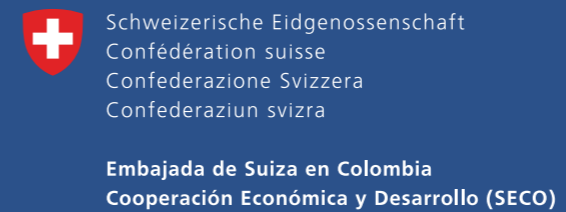
*Bancóldex thanks the companies  
that participated in this report:*

AUTOCENTRO

RESTAURANTE  
CANTINA LA 15

ROYAL FILMS

*and our strategic partners in the  
issuance of the Green Bonds:*



# INTRODUCTION

*In this, our third year of development of the financing strategy based on the green bond issued by the Bank in 2017, Bancóldex is*

pleased to present its progress report as of June 2020, with very good results in the multiplication of green investments that serve as an engine of transformation towards a sustainable economy in which care and good environmental management prevail.

As of June 2020, with the resources of the bond, it has been possible to leverage financing for USD116 million (\$ 436,916 million pesos), that is, 2.18 times the amount of the original issue. This gradually brings Colombia closer to its need to promote, by 2030, the calculated USD10 trillion required in investments in green technologies to reach a goal of 450 parts per million CO2 (considered relatively safe) (Mackenzie et al, 2009).

From the issuance of the bond in 2017 to the end of 2020, the resources of the bonds managed to leverage financing for 213 loans, which financed 308 projects and benefited 190 companies. Thus, the mechanism was consolidated, demonstrating that the financing of sustainable development is profitable and attractive.

Beyond these figures, these resources have allowed the Bank to multiply its green financing programs, reaching a greater number of increasingly diverse companies and projects, achieving greater penetration of the concept of green investments in both the business sector and the financial system.

With the results of Bancóldex green bond that we proudly present in this report, it is evident that resources do exist to invest in green projects and businesses and that banks must dare to innovate and create mechanisms to mobilize these resources. We hope that more investors will join our purpose: financing the shift to a decarbonized, sustainable and fair economy.

## References:

Climate Bonds Initiative, 2020. "2019 Green Bond Market Summary". [https://www.climatebonds.net/files/reports/2019\\_annual\\_highlights-final.pdf](https://www.climatebonds.net/files/reports/2019_annual_highlights-final.pdf)

TNC, 2014. "Investing in Conservation," NatureVest and EKO Asset Management Partners, November 2014. <http://www.naturevesttnc.org/reports>

## USE OF RESOURCES

The projects financed or refinanced with the resources of the Green Bond issue are classified within one or more of the categories established in the framework document.

Click to view:  
 ● GREEN BONDS FRAMEWORK

Likewise, the results presented in this report are aligned with the Green Bond Principles established by ICMA and have the positive opinion of Sustainalytics, the largest independent provider of sustainability research, analysis and services for investors.

Click to view:  
 ● SUSTAINALYTICS' OPINION FILE

*Lastly, the projects financed or refinanced with the resources of the issue are a positive contribution to the fulfillment of Sustainable Development Goals.*

### SUSTAINABLE DEVELOPMENT GOALS



*The eligible categories established for the use of the resources from the bonds are:*



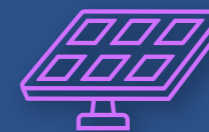
POLLUTION CONTROL AND  
**EFFICIENT USE OF RESOURCES**



SUSTAINABLE  
**TRANSPORT**



ENERGY  
**EFFICIENCY**



RENEWABLE  
**ENERGY**



SUSTAINABLE  
**CONSTRUCTION**



# POLLUTION CONTROL AND **EFFICIENT USE OF RESOURCES** PROJECTS

This category includes construction, installation and operation of production control and monitoring systems to prevent and mitigate the negative effects of business activities on the environment.



POLLUTION CONTROL AND  
EFFICIENT USE OF RESOURCES

# 59 PROJECTS TO

reduce or manage liquid waste, within which the following items have been financed: low-water-consumption equipment, rainwater collection systems, water reuse systems for process water, wastewater treatment plants and drinking water treatment plants. From this group, 40 projects correspond to the implementation or optimization of wastewater treatment plants (WWTP) and one corresponds to a drinking water treatment plant (DWTP).

# 21 PROJECTS TO

reduce or manage solid waste, including investments in equipment to separate solids, treatment systems, recovery and use of solid waste to enable a lesser degree of soil contamination and a reduction in loads sent to landfill. Additionally, the use of residual material like “fique” as raw material in the manufacturing of new products and the use of “pork waste” as organic fertilizer and as electricity generator with the establishment of a biodigester.

# 4 PROJECTS ON

tree planting or reforestation, one of which corresponds to a sustainable tree-planting plan with 56,087 trees planted over a period of 6 years. This project has made it possible to capture 29.9 tons of CO2 per hectare per year. Another project has led to the reforestation of water protection areas near to the company and the development of reforestation programs with the main objective of promoting the abortions of greenhouse gas emissions.

# 21 PROJECTS TO

reduce or manage atmospheric emissions, including systems to collect and control particulate matter, gases and smells (such as dust extraction systems, filters, cyclones and gas scrubbers), projects to optimize combustion processes and minimize polluting CO<sub>2</sub> NO<sub>x</sub>, SO<sub>2</sub> emissions, among others.

# 1 PROJECT ON

cleaner production by substituting polypropylene in the manufacturing of packaging for the food industry.





# SUSTAINABLE TRANSPORT

## PROJECTS

Under this category the projects include renewal, modernization and modal shifts in transport systems towards zero or low-emission transport.

# SUSTAINABLE TRANSPORT



## 10 COMPANIES

acquired credits within the electric taxis program for the city of Bogotá as part of the Plan for Technological Advancement which aims to reduce emissions of particulate matter by replacing gasoline or gas vehicles with zero-emissions vehicles.



# ENERGY EFFICIENCY

## PROJECTS

The goal for the projects in this category is the optimization of electric or thermal energy consumption to improve productive processes.

# ENERGY EFFICIENCY



Some financed projects incorporate more than one efficient technology.

## 69 PROJECTS ON

LED lighting, including three operations corresponding to street-lighting projects. Two operations requested resources to operate under the savings payment market model or the ESCO (Energy Service Company) model, where the beneficiary of the credit is the company providing the lighting project, and the client pays the investment in the medium-long term with the savings obtained.

## 31 PROJECTS FOR

technological modernization in air-conditioning which enables the substitution of old refrigerants for ones with a lower ozone-depletion potential.

## 19 PROJECTS TO

install energy measurement and control systems, grouped into the following categories: renovation of electrical substations, implementation of control systems for production processes and systems for industrial services such as lighting, air-conditioning and combustion systems, among others. The establishment of intelligent measurers in a group of households that allow the reduction (up to a 30%) of energy consumption per month is also included.

## 8 PROJECTS TO

implement or substitute thermal insulation to optimize thermal energy use (whether hot or cold), leading to a reduction in the energy consumption of industrial systems.

## 9 PROJECTS TO

optimize combustion processes in order to reduce fuel use in heating or steam generation processes.

## 8 PROJECTS ON

energy efficiency in processing equipment to increase productivity and reduce energy consumption.

## 6 PROJECTS ON

refrigeration, corresponding to projects to update technology and implement refrigerants with a lower global warming and ozone-depletion potential, in accordance with current regulations in Colombia.

# ENERGY EFFICIENCY

## 7 PROJECTS FOR

conversion to high-efficiency motors, contributing to a reduction in electric energy use.

## 3 PROJECTS ON

energy efficiency in compressed air systems to replace outdated equipment.

## 1 PROJECT ON

efficient pumping, achieving a reduction in energy use.

## 4 PROJECTS FOR

furnace technology substitution, making it possible to reduce energy consumption and, therefore, GHG (Greenhouse Gases) emissions. One of these projects is specially highlighted due to its use of recycled material in the production process.

## 3 PROJECTS ON

waste heat recovery to use the thermal energy of exhaust gases that was previously released into the atmosphere.

## 1 PROJECT ON

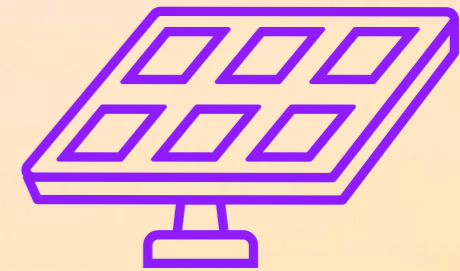
energy cogeneration which makes use of production waste (biomass).

## 3 PROJECTS TO

implement high-efficiency boilers.

## 1 PROJECT ON

the design, development and certification of hardware and software to control the consumption and demand of electric energy and its quality.



# RENEWABLE ENERGY PROJECTS

This category includes generation of electric or thermal energy through renewable sources, such as wind energy, solar energy, biogas (from biomass waste), small hydro-electric plants with a capacity lower than 10 MW and geothermal energy.

RENEWABLE  
**ENERGY**



**17** PROJECTS TO

generate solar photovoltaic energy for users of the National Interconnected System (SIN, by its Spanish acronym).

**1** PROJECT ON

heating water with solar energy to supply hot water for employees' showers.

**4** PROJECTS ON

biomass, of which three relate to the recovery of biogas from solid waste, or the effluents of waste water treatment plants, and one corresponds to electric energy generation as well as the change of a boiler that allows the use of residual biomass from the process.

**1** PROJECT ON

diesel substitution as fuel to generate electricity from the establishment of a small hydroelectric plant.

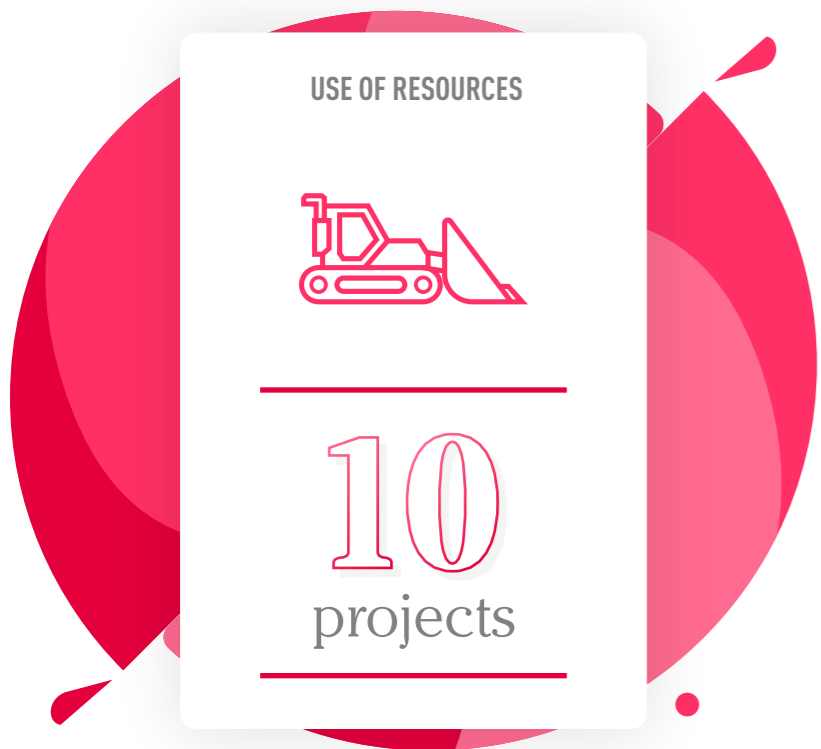




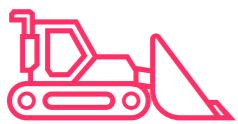
# SUSTAINABLE CONSTRUCTION PROJECTS

This category includes the design and construction of buildings that fulfill sustainable construction parameters and guidelines to save water and energy, in accordance with the Sustainable Construction Guide established through Resolution No. 0549 of 2015 by the Ministry of Housing, City and Territory.

# SUSTAINABLE CONSTRUCTION



USE OF RESOURCES




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10  
projects

## 10 PROJECTS

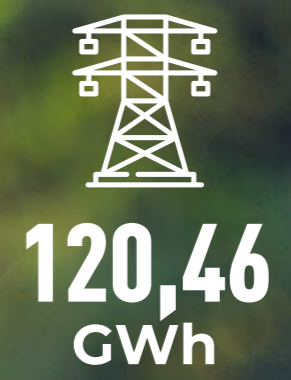
Some of the 10 designs focused on the redesign and modification of existing buildings to make use of natural light and relocate some areas. Other projects were directed towards the use of facades to reduce the thermal load inside the buildings and on the use of special or recyclable building materials.

Some projects include the establishment of equipment that allow the efficient use of water. All of the projects were structured around the main objective of reducing water or electric energy consumption in the buildings, and some even sought to achieve international certifications.

# IMPACT OF THE PROJECTS FINANCED WITH RESOURCES OBTAINED FROM BANCÓLDEX GREEN BONDS



of electric energy generated per year from renewable sources for free of charge to the electric grid of the National Interconnected System (SIN, by its Spanish acronym).



saved per annum in the consumption of electricity thanks to the establishment of energy efficiency measures.



of natural gas not used as a source of fuel per year.



of carbon substituted for other fuel sources per year (biomass waste, natural gas, biogas, among others).



of diesel not used to generate electricity.



of CO<sub>2</sub>e not emitted per year.

JUNE 2019 TO JUNE 2020

# THE RESULTS OF THE PROJECTS

FINANCED WITH THE RESOURCES OF THE GREEN BOND

## DISBURSEMENTS

**\$51,817**  **MILLION**  
(USD14 MILLION APPROX.)

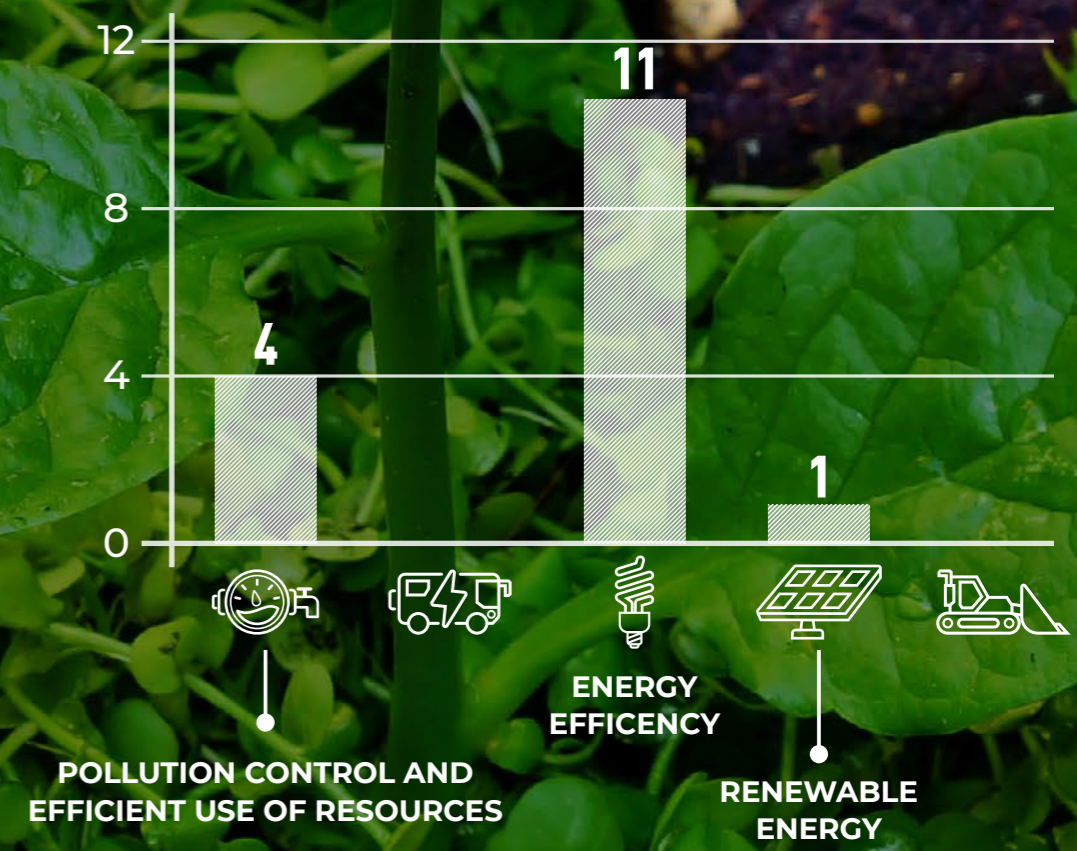
**21**  **CREDIT OPERATIONS** | **16**  **FINANCED PROJECTS**

**FINANCED COMPANIES** **18** 

AVERAGE DISBURSEMENT  
**\$2,788** MILLONES  
(USD741,704 APPROX.)

AVERAGE CREDIT TERM  
**4 YEARS** PER OPERATION

## DISTRIBUTION OF THE 16 PROJECTS



Some projects may be classified in more than one of the eligible categories and therefore the total number of projects may differ from the addition of the individual projects.

2019

## IMPACT OF THE FINANCED PROJECTS



**57.1**  
MWh

of electric energy generated per year from renewable sources for free of charge to the electric grid of the National Interconnected System (SIN, by its Spanish acronym).



**2,06**  
GWh

saved per annum in the consumption of electricity thanks to the establishment of energy efficiency measures.



**8.494**  
m<sup>3</sup>

of natural gas not used as a source of fuel per year.



**575**  
tons

of CO<sub>2</sub>e not emitted per year.

The image shows the BancolDEX logo on a glass building facade. The logo consists of the word "BANCOLDEX" in bold, black, uppercase letters, followed by a stylized graphic element. This graphic is a large, rounded shape divided into three colored sections: a yellow top section, a red bottom-left section, and a blue bottom-right section. The background is a reflection of a modern building with a grid of windows and people walking on a balcony.

**BANCOLDEX**

## RESOURCES MANAGEMENT

*The resources obtained from the Green Bonds issuance were destined in its total to the financing or refinancing of entrepreneurial projects and activities eligible under the criteria mentioned above and in accordance with the Framework. As of June 30th, of 2020 and the moment this report was prepared, the total amount of the issuance was assigned in green eligible operations.*

**THE RESOURCES OF THE GREEN BONDS HAVE ALLOWED BANCÓLDEX TO FINANCE SINCE AUGUST 9, 2017 IN A CONSOLIDATED WAY:**

**DISBURSEMENTS FOR**

**\$436,916 MILLION**  
(USD116 MILLION APPROX.)

**213 CREDIT OPERATIONS** | **308 FINANCED PROJECTS**

**FINANCED COMPANIES 190** | **35% MSMEs**

AVERAGE CREDIT TERM  
**4.35 YEARS**  
PER OPERATION

AVERAGE DISBURSEMENT  
**\$2,503**  
MILLION  
(USD665,885 APPROX.)

PORTFOLIO BALANCE AT JUNE 30TH, 2020  
**\$207,465**  
MILLION  
(USD55 MILLION APPROX.)

**IN 22 DEPARTMENTS AND IN BOGOTÁ**



# Loans per department

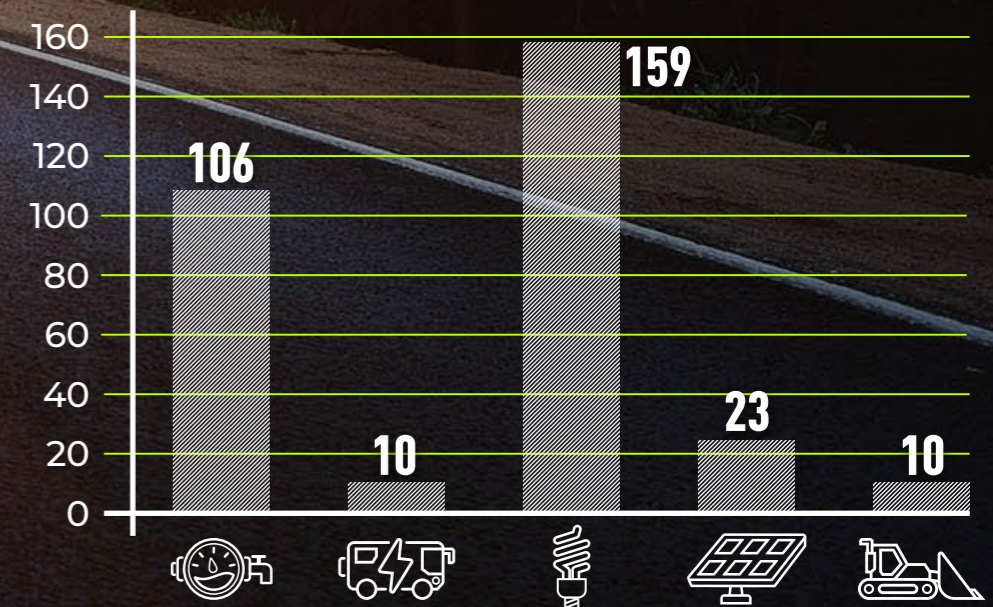
**ELIGIBILITY CRITERIA**

The proceeds of the Green Bonds are solely aimed at financing or refinancing companies within the following five categories:

- POLLUTION CONTROL AND EFFICIENT USE OF RESOURCES
- SUSTAINABLE TRANSPORT
- ENERGY EFFICIENCY
- RENEWABLE ENERGY
- SUSTAINABLE CONSTRUCTION

**DISTRIBUTION OF THE 308 PROJECTS**

Some projects may be classified in more than one of the eligible categories and therefore the total number of projects may differ from the addition of the individual projects.



# IMPACT CASES



# CANTINA LA 15 RESTAURANT

Inspired by the balance of the traditional and in search of the boldness that represents the contemporary, Cantina La15 awakens in Colombia, an unforgettable artistic and gastronomic concept, in which all the senses are revived and become witnesses of an exclusive atmosphere that redefines without a doubt, the tradition of the most select of Mexican cuisine. Provide a space that stands out for the quality of service and experiences to the palate through the mixture of Mexican and contemporary cuisine, with dishes made to the highest quality standards.

## DESCRIPTION OF THE PROJECT ENERGY EFFICIENCY

Project in energy efficiency and sustainable development consisting of the installation of cold rooms for efficient cooling, the installation of LED, installation of air conditioners of high efficiency type, heat-concentrating equipment that saves 25% of energy consumption compared to traditional equipment. Similarly, water-saving equipment will be installed in bathrooms and taps.

## RESULTS OF THE PROJECT

*A 25 per cent reduction in electricity consumption and a reduction in water consumption will be achieved. Also, they have a strategy to recycle solid waste, such as raw material that is not used, which is donated to a social foundation.*





# AUTOCENTRO

Company of service workshop and original spare parts. Dedicated to the repair of Diesel Engines, Automobiles - Electronic Injection, Chassis for Automotive, Automotive Paints, Electronic Synchronization and Automotive Mechanic Workshops.

## DESCRIPTION OF THE PROJECT RENEWABLE ENERGIES

Renewable energy project consisting of the installation of a photovoltaic solar generation system.

## RESULTS OF THE PROJECT

*The installation of photovoltaic solar panels seeks to generate 35.485kWh / year, with which they hope to replace 90% of the energy required by the plant and reduce 7,02 ton of CO<sub>2</sub> per year.*



# ROYAL FILMS

Company incorporated on October 25, 1974. Formed on the basis of the desire to serve and improve the quality of life of Colombians, they set out to find out what their needs were, especially those of Barranquilla in relation to healthy entertainment: CINEMA.

Royal Films is a family society that started only with a theater in the heart of the city of Barranquilla, but it was not enough to put up new entertainment, but to form Colombia's fans as culture. For this reason, over the years it has grown, expanding its horizons, building new movie theaters and shopping centers, which have allowed it to project itself into the future and have a presence among the top five film companies in Colombia.

## DESCRIPTION OF THE PROJECT ENERGY EFFICIENCY

The investments are destined to improve the current cinemas, changing the air conditioning equipment with more efficient technology, thermal wall covering that will allow energy savings and the installation of LED lighting. In this way, it is expected to improve the experience of users of movie theaters, at the same time thanks to energy efficiency measures contributing to the environmental sustainability of the company.

## RESULTS OF THE PROJECT

*It is expected to save 20% of electricity consumption, positively impacting the cost of the organization, the environmental impact of the company and improving the conditions inside the rooms so that users feel more comfortable.*



COLOMBIA'S **BUSINESS DEVELOPMENT** BANK

THIRD **GREEN BONDS** REPORT  
2020

# Banco de Comercio Exterior de Colombia S.A.

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• GREEN BONDS REPORT

**Type of Engagement:** Annual Review

**Date:** July 28, 2020

**Engagement Team:** Jonathan Laski, jonathan.laski@sustainalytics.com, (+1) 647 264 6640

Tina Ghaemmaghami, tina.ghaemmaghami@sustainalytics.com, (+1) 647 264 6680

## Introduction

In August 2017, Banco de Comercio Exterior de Colombia S.A. (“Bancóldex”) issued green bonds aimed at financing projects that have positive environmental impacts. In July 2020, Bancóldex engaged Sustainalytics to review the projects funded through the issued green bonds and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the Bancóldex Green Bond Framework (the “Framework”).<sup>1</sup> This is Sustainalytics’ third annual review of Bancóldex green bond programme following the earlier reviews in August 2018 and July 2019.

From August 2017 through June 2020, Bancóldex has financed 308 projects with total disbursements of COP 436,916 million (USD 116 mn). For the period July 2019 to June 2020, Bancóldex financed 16 projects, with total disbursements of approximately COP 51,817 million (USD 14 mn). These projects fall into the five categories mentioned in their Framework, namely pollution control and resource efficiency (including wastewater treatment and management), sustainable transportation, energy efficiency, renewable energy, and sustainable construction.

## Evaluation Criteria

Sustainalytics conducted an evaluation of the projects and assets funded between July 2019 and June 2020 based on whether:

1. The 16 projects funded between July 2019 and June 2020 met the Use of Proceeds and Eligibility Criteria outlined in the Bancóldex Green Bond Framework;
2. The three representative case studies, selected by the Issuer, reported on at least one of the Key Performance Indicators (“KPIs”), as outlined in the Bancóldex Green Bond Framework.

Table 1 lists the Use of Proceeds and Eligibility Criteria, while Table 2 lists the associated KPIs.

**Table 1: Use of Proceeds and Eligibility Criteria**

Use of Proceeds	Eligibility Criteria
<b>Pollution control and resource efficiency</b>	<p>The resources under this criterion are geared toward the construction, installation and operation of systems of control and monitoring of the productive process for the prevention and mitigation of the negative effects of business activity on the environment, including:</p> <ul style="list-style-type: none"> <li>• Acquisition of equipment and adaptations for the treatment of waste water.</li> <li>• Control systems for the reduction of pollutants in solid, liquid and gaseous waste (for example, filters for controlling atmospheric emissions).</li> <li>• Acquisition of equipment for the use of solid, liquid or gaseous waste.</li> <li>• Acquisition of equipment for the efficient use of resources (for example, water-saving devices).</li> </ul>
<b>Sustainable transportation</b>	<p>The resources under this criterion drive the renewal, modernization and modal shift in transport systems toward ones with zero or low emissions:</p> <ul style="list-style-type: none"> <li>• Acquisition of all types of hybrid or electric vehicles for public or private transportation of passengers or cargo.</li> <li>• Electrical infrastructure for the recharging of hybrid or electric vehicles.</li> <li>• Infrastructure for the operation of mass transport systems.</li> </ul>

<sup>1</sup> The Green Bond Framework is available at: [https://www.bancoldex.com/sites/default/files/bancoldex\\_green\\_bond\\_framework.pdf](https://www.bancoldex.com/sites/default/files/bancoldex_green_bond_framework.pdf)

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<b>Energy efficiency</b>	<p>The resources under this criterion are intended for projects that optimize the consumption of electric or thermal energy, to increase productivity and improve production processes, including:</p> <ul style="list-style-type: none"> <li>• Development of energy auditing.</li> <li>• Replacement or renewal of equipment by those with higher efficiency (for example, conventional LED lighting, high-efficiency motors, efficient cooling systems, etc.).</li> <li>• Investments for the optimization of energy consumption in the production process (for example, reduction of energy losses, efficient boilers, etc.).</li> <li>• Acquisition and installation of energy-measuring and control systems.</li> <li>• Systems for the recovery and use of residual heat.</li> <li>• Design, construction and installation of co-generation projects only if there is a net reduction of greenhouse gas emissions.</li> <li>• The activities required to obtain the certification of ISO 50001</li> </ul>
<b>Renewable energy</b>	<p>The resources under this criterion finance projects for the generation of electric or thermal energy from renewable energy sources such as wind, solar, biogas derived from biomass residues, small hydroelectric plants with a capacity of less than 10 MW, and geothermal, including:</p> <ul style="list-style-type: none"> <li>• Design of the power generation project</li> <li>• Adaptations for the construction and installation of power generation projects</li> <li>• Acquisition of energy generation technology</li> <li>• Acquisition of storage systems</li> <li>• Transmission and network connection systems</li> <li>• Measurement and information technology that allows for the integration of renewable energy into the grid</li> <li>• Monitoring Systems according to each technology variables</li> </ul>
<b>Sustainable construction</b>	<p>The resources under this criterion support the set of measures in design and construction of buildings that allow the achieving of improvements in the use of resources, according to Resolution 0549 of 2015 for sustainable construction issued by the Ministry of Housing, City and Territory, which establishes the minimum percentages and measures of water and energy saving to be achieved in new construction</p>

Table 2: Key Performance Indicators

<b>Key performance indicators for the four case studies</b>	
<b>Pollution control and resource efficiency</b>	<ul style="list-style-type: none"> <li>• Reduction in waste generated (metric tonnes)</li> <li>• Amount of waste recycled (metric tonnes)</li> <li>• Contaminated areas recovered (metric tonnes of soil treated or m<sup>2</sup> of area treated)</li> <li>• Reuse of water (m<sup>3</sup> or % of total)</li> <li>• Annual reduction in water consumption (m<sup>3</sup>)</li> <li>• Annual reduction in water withdrawals (m<sup>3</sup>)</li> <li>• Treatment of water and effluents (m<sup>3</sup> of water or effluents treated)</li> </ul>
<b>Sustainable transportation</b>	<ul style="list-style-type: none"> <li>• Absolute annual GHG reduction/emissions avoided (metric tonnes of CO<sub>2</sub> eq.)</li> <li>• GHG reduction/emissions avoided (metric tonnes of CO<sub>2</sub> eq./km)</li> <li>• Absolute annual reduction of non-GHG pollutant emissions (metric tonnes of pollutants)</li> <li>• Reduction of non-GHG pollutant emissions (metric tonnes of pollutants/km)</li> </ul>
<b>Energy efficiency and sustainable construction</b>	<ul style="list-style-type: none"> <li>• Annual reduction in energy consumption (MWh/GWh or GJ/TJ/kg of product)</li> <li>• Annual GHG reduction/emissions avoided (metric tonnes of CO<sub>2</sub> eq.)</li> <li>• Absolute annual GHG emissions from the project (metric tonnes of CO<sub>2</sub> eq.)</li> </ul>

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<b>Renewable energy</b>	<ul style="list-style-type: none"> <li>• Annual Generation of Renewable Energy (MWh/GWh of electricity or GJ/TJ of other energy forms)</li> <li>• Project's Generation capacity of Renewable Energy (MW/GW)</li> <li>• Renewable Energy Consumption (% total energy consumption)</li> <li>• Annual reduction in Greenhouse Gas (GHG) emissions/emissions avoided (metric tonnes of CO2 eq.)</li> <li>• Absolute annual GHG emissions from the project. (metric tonnes of CO2 eq.)</li> </ul>
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### Issuing Entity's Responsibility

Bancóldex is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects and project impact.

### Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Bancóldex Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Bancóldex employees and review of documentation to confirm the conformance with the Bancóldex Green Bond Framework.

Sustainalytics has relied on the information and the facts presented by Bancóldex with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Bancóldex.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

### Conclusion

Based on the limited assurance procedures conducted,<sup>2</sup> nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of Bancóldex Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Bancóldex Green Bond Framework. Bancóldex has disclosed to Sustainalytics that, as of June 2020, the balance of its green portfolio exceeds the net proceeds of its green bond, and is therefore fully allocated.

<sup>2</sup> Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

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## Detailed Findings

Table 3: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
<b>Use of Proceeds Criteria</b>	Verification of the projects funded by the green bond between July 2019 and June 2020 to determine if the 16 projects aligned with the Use of Proceeds Criteria outlined in the Bancóldex Green Bond Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
<b>Reporting Criteria</b>	Verification of the projects funded by the green bond between July 2019 and June 2020 to determine if impact of projects was reported in line with the KPIs outlined in the Bancóldex Green Bond Framework and above in Table 2. For a list of KPIs reported please refer to Appendix 1.	At least one KPI per Use of Proceeds criteria was reported and additional details were provided in three impact case studies.	None

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## Appendices

### Appendix 1: Impact Reporting by Eligibility Criteria

Bancóldex has committed to reporting the cumulative annual impact of the 16 projects financed through its green bond from July 2019 to June 2020. See below a summary of the reported impacts at the category level.

Use of Proceeds and Eligibility Criteria Category	Environmental Impact Reported by Eligibility Criteria
<b>Renewable Energy</b>	<ul style="list-style-type: none"> <li>• 57.1 MWh of electric energy generated per year from renewable sources at no cost to the electric grid of the National Interconnected System.</li> </ul>
<b>Pollution control and resource efficiency</b>	<ul style="list-style-type: none"> <li>• 575 tons of CO<sub>2</sub>e avoided per year.</li> </ul>
<b>Energy efficiency and sustainable construction</b>	<ul style="list-style-type: none"> <li>• 2.06 GWh saved per annum in the consumption of electricity as a result of the establishment of energy efficiency measures.</li> <li>• 8.494 m<sup>3</sup> of natural gas not used as a source of fuel per year.</li> </ul>



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## Appendix 2: Case Studies

Bancóldex has committed to reporting the impact of its green bond through three case studies from its portfolio of financed projects. See below a summary of the reported impacts.

Case Study	Use of Proceeds and Eligibility Criteria Category	Environmental Impact Reported by Eligibility Criteria
<b>Cantina la 15 Restaurant</b>	Energy Efficiency	<ul style="list-style-type: none"> <li>• Energy efficiency projects such as the installation of cold rooms for efficient cooling, the installation of LED lighting, the installation of air conditioners with high efficiency and heat-concentrating equipment have resulted in a 25% reduction in electricity consumption.</li> <li>• The restaurant has also installed water-saving equipment in bathrooms and taps.</li> </ul>
<b>Autocentro Ltda.</b>	Renewable energy	<ul style="list-style-type: none"> <li>• The installation of photovoltaic solar panels generates 35.5 MWh / year, providing 90% of the energy required by the plant.</li> <li>• This has resulted in an estimated reduction of 7.02 tons of CO<sub>2</sub>/year.</li> </ul>
<b>Royal Films S.A.S</b>	Energy efficiency	<ul style="list-style-type: none"> <li>• Energy efficiency improvements, including the installation of LED lighting and thermal walls, has resulted in 20 percent energy savings.</li> </ul>

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