

CABEI, committed to the environment builds a sustainable future

In an increasingly interconnected world, caring for the environment has become a pressing concern for humanity.

As we face global challenges such as climate change, biodiversity loss and pollution, it is clear that we must rethink our actions and work together to ensure a sustainable future for generations to come.

Committed to these principles of environmental protection and conservation, the **Central American Bank for Economic Integration (CABEI)** implements various measures and regulations in the projects it promotes, in order to reduce and mitigate the environmental impact associated with development initiatives, which strengthens sustainability throughout the region.

In this regard, the Bank's **2020-2024 Institutional Strategy** establishes environmental and social sustainability as a fundamental strategic cross-cutting axis, with the objective of integrating this key element into all its operations.

For its practical implementation, the multilateral developed its **Environmental and Social Policy**, which guides these sustainable actions.

This ensures that both Bank-financed projects and internal operations in its offices are carried out in an environmentally friendly and socially responsible manner, which contributes to reducing carbon emissions and fostering the capacity to adapt to climate change.

These instruments also highlight **CABEI's** transparency, since the achievements made and the initiatives promoted are communicated proactively, allowing society as a whole to know about environmental actions, which also contribute to the fulfillment of the **Sustainable Development Goals (SDGs)**.

Additionally, the Bank has its **Environmental and Social Strategy 2020-2024**, a guide that guides the ability to evaluate, measure and manage the risks and impacts of operations in member countries.

CABEI: Tools that take care of the environment



Environmental and Social Policy



Environmental and Social Strategy 2020-2024



Environmental and Social Risk Management System:

- System for the Identification, Evaluation and Mitigation of Environmental and Social Risks (SIEMAS)
- Corporate Environmental and Social Responsibility System (SASC)

Cross-cutting elements of CABEI's Environmental and Social Strategy



Environmental and social risk management of operations



Climate resilience, mitigation and adaptation



Social inclusion



Gender equity and equality

A commitment for each action

CABEI's contribution and commitment has allowed an approach to the fulfillment of the SDGs in the Central American region, since through its Environmental and Social Strategy it provides new opportunities, both to the public and private sectors, to incorporate priority issues of environmental and social sustainability, and to improve the management of environmental and social risks in their initiatives.

To integrate environmental and social sustainability into all its operations, **CABEI** developed the **System for the Identification, Evaluation and Mitigation of Environmental and Social Risks (SIEMAS)**.

This system is a tool that identifies and manages environmental and social risks, helping to monitor the actions recommended in the environmental and social assessments carried out during the planning of the projects it finances, with the aim of reducing these risks.

In addition, SIEMAS is responsible for supervising and following up on these actions during the execution and operation stages, a process that is controlled by **CABEI's** Office of Social and Environmental Monitoring, which implements international standards for the Bank's actions.

The System for the Identification, Evaluation and Mitigation of Environmental and Social Risks (SIEMAS) monitors and follows up:



Labor rights.



Rational use of resources and pollution prevention.



Impact on surrounding communities.



Relocation and land acquisition.



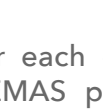
Conservation of natural resources.



Indigenous peoples and minorities.



Cultural heritage (archaeological and architectural).



Risk management.

For each operation financed by the Bank, a SIEMAS plan is made, which describes and prioritizes the general details of the operation, such as its level of environmental and social risk, as well as the capacity to manage those risks.

It also establishes measures to reduce these risks, including strict conditions that must be met and that will be monitored throughout the duration of the financing, with the aim of avoiding negative impacts on the population and the environment.

The Bank has also developed a **Development Impact Assessment System (SEID)**, which promotes that financed operations focus on measuring and evaluating the impact of institutional activities on development and poverty reduction in each country.

In practice, the SEID ensures accurate monitoring of the expected results when executing the **CABEI** Development Impact Index (**CABEI**) in projects, programs and intermediated credits.

Motivating by example

CABEI strives to strengthen its commitment, like that of its collaborators, to environmental care, which is why it also implements its **Corporate Environmental and Social Responsibility System (SASC)**, which places people at the center of development.

The SASC encourages the participation of employees, recognizing their importance as

agents of change and promoting their involvement in environmental and social initiatives.

In this way, it establishes a culture of responsibility and commitment to the environment and the community, both individually and organizationally.

CABEI's internal environmental and social responsibility activities



Reforestation days with volunteering.



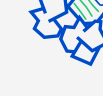
Waste separation.



Reduction of energy consumption.



Reduction of drinking water consumption.



Management of paper and waste for its reduction.

Thematic bonds

CABEI's environmental commitment extends to the creation and financing of projects of environmental relevance through **Green Bonds**.

This instrument has allowed the disbursement of more than US\$200 million in projects of sustainable water management and the promotion of renewable energy, generating a positive environmental impact, which is reflected in more than 15,000 tons of CO2 avoided per year.

In addition, through its **Social Bonds**, the Bank promotes social development projects, contributing to improving the quality of life of Central Americans.

These projects stimulate development in the region, with the aim of reducing poverty and inequality. In addition, they seek to strengthen

regional integration to allow a competitive inclusion of member countries in the global economy.

CABEI recognizes that only through education, awareness and sustained action can we ensure a healthier and more sustainable future for generations to come.

Each of us has a vital role to play in building a world in which nature and human beings can coexist in harmony.

This Environment Month gives us the opportunity to reflect on our impact on the environment and take concrete measures to protect and conserve natural resources, because we only have one planet and it is up to us to take care of it and ensure the preservation of our home: the Earth.