

## CAF's Green Bond Portfolio

- CAF has an explicit mandate to promote sustainable development with outstanding credentials and a strong track record of promoting green investments in its member countries across Latin America and the Caribbean. One of its most recent announced goals for 2026, is that 40% of all its annual loan approvals are considered green financing.
- In November 2019, CAF issued its first public Green Bond for EUR 750 million with a 5-year maturity. The following year, it issued in the Swiss Market for CHF 350 million with a 5-year maturity as well. These transactions had a high participation from socially responsible denominated investors.
- As of December 31, 2022, and since the establishment of its Green Bond framework in 2018, CAF has raised approximately \$1.6 billion in Green Bonds through four transactions denominated in CHF, COP and EUR.
- CAF intends to create a new framework for a Sustainability Bond Program in 2024 which will include a new array of eligible categories of projects that address Social and Environmental aspects that affect the region. In that regard, CAF intends to issue sustainable bonds on a regular basis consistent with its commitment in increasing social and environmental financing.

### Characteristics of Green Bond Portfolio

|                   | CHF 350 MM     | EUR 700 MM     | COP 104,200 MM | CHF 350 MM     |
|-------------------|----------------|----------------|----------------|----------------|
| <b>Amount</b>     | CHF 350 MM     | EUR 700 MM     | COP 104,200 MM | CHF 350 MM     |
| <b>Issue Date</b> | 04-Sep-20      | 20-Nov-19      | 04-Sep-20      | 24-Feb-22      |
| <b>Tenor</b>      | 5 years        | 7 years        | 8 years        | 5 years        |
| <b>Rating</b>     | Aa3/AA-/AA     | Aa3/AA-/AA     | Aa3/AA-/AA     | Aa3/AA-/AA     |
| <b>Coupon</b>     | 0.7%           | 0.63%          | 6.75%          | 0.46%          |
| <b>SPO</b>        | Sustainalytics | Sustainalytics | Sustainalytics | Sustainalytics |

*\*total amount equivalent of green bond proceeds is equal to USD 1,614 MM*

## Eligible Green Project Categories and Criteria

A project is classified green when it meets one or more of the following characteristics:

- Reduces Greenhouse gas emissions
- Removes Greenhouse gases from the atmosphere
- Promotes climate resilience and/or adaptation
- Encourages the efficient use of resources
- Values ecological services

Net proceeds from the notes are allocated towards financing and/or refinancing of new and existing eligible green projects that fall under one or several of the following eligible green project categories:

- Renewable energy
- Clean transportation
- Sustainable management of living natural resources and land use
- Waste management
- Water management and projects
- Energy efficiency

Additional information on CAF's Green Bond program and project selection process can be found on the investors section of CAF's website as well as its Green Bond Framework.

## CAF'S Role and Sustainability Strategy

The effects of the COVID-19 pandemic and climate crisis reveal structural weaknesses that, to a greater or lesser degree have influenced on the vulnerability of the countries of Latin America and the Caribbean. Increase in investments and fiscal resources for the construction of resilience and sustainability, emphasizing the decarbonization of consumption and production models, as well as the diversification of energy matrices is required. In addition to a detailed vision of the importance of biodiversity and ecosystem services in cities and marine-coastal environments.

CAF adopting as its own the challenges outlined by the UN Sustainable Development Goals (SDG), and with the conviction that Latin American countries can make a qualitative leap towards the construction of a more inclusive, low carbon and resilient society, CAF has formulated an agenda to assist countries in the pursuit and achievement of such targets. CAF's strategic approach focuses on mobilizing financial resources into the region to promote investments in infrastructure, energy, social development, environmental sustainability, and climate change.

In addition to the overall sustainable strategy, CAF’s Green Bond Program focuses on certain environmental objectives that link to the following Sustainable Development Goals:

- Sustainable Transport and Cities
- Clean energy and distribution
- Water and Sanitation systems
- Climate resilience and environmental protection



## Examples of Loans Granted from the Green Bonds

1. **Country:** Panama    **Category:** Water Management and Projects    **CAF Loan Package:** USD 110 MM

### Wastewater treatment Plant, Panama City and Panama Bay

The wastewater treatment project is the second stage of the overall sanitation program for Panama City and the Panama bay. The project plans to build and improve the collector systems of Panama City and surrounding areas, separate the sanitary and rainwater flows from the combined sewerage systems of the Calidonia, Bella Vista and Chanis areas. In addition to strengthen the operational capacities of the coordinator unit to secure the proper operation and maintenance of the infrastructure.



**Expected impact:** implementing an aerobic water treatment and an anaerobic digester for the sludge treatment, the project will serve 626.400 inhabitants and a potential GHG reduction of ~ 17.000 ton CO2/year (only the wastewater treatment).

2. **Country:** Brazil    **Category:** Clean Transportation    **CAF Loan Package:** USD 296 MM

### Line 17, São Paulo Subway System



The project's main objective is to improve access and urban mobility in the southern part of the city of São Paulo through the construction of Line 17-Oro and its integration to the subway system. Construction includes 7.7 km of elevated structures, eight stations, acquisition of subway carts and the construction of a train yard.

**Expected impact:** Will benefit 185,000 passengers commute on a daily basis and a potential GHG reduction of ~ 43.300 ton CO<sub>2</sub>/year.

3. **Country:** Uruguay    **Category:** Renewable Energy    **CAF Loan Package:** USD 54 MM

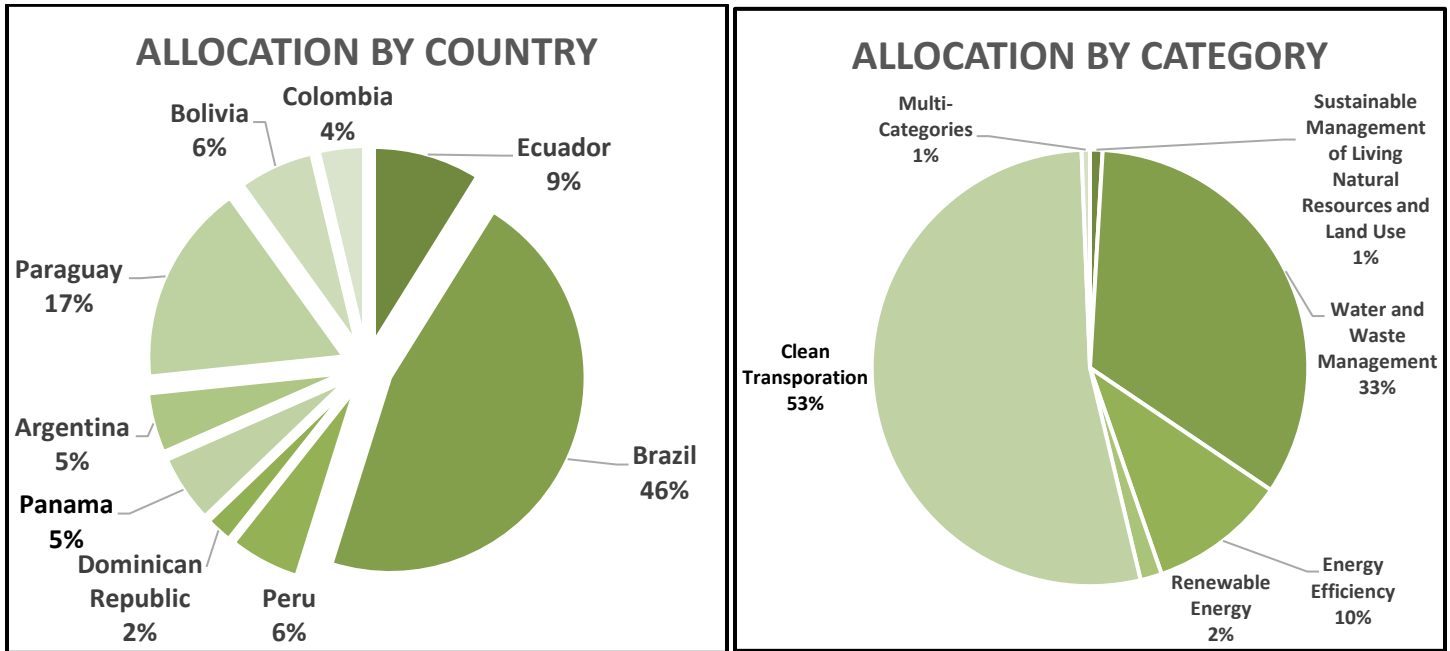
### Wind Farm Park Artilleros - ROUAR

The project consists of the construction and operation of a wind farm park with 31 generators of 2.1MW nominal output, resulting in an installed capacity of 65.1 MW.

**Expected impact:** Renewable energy production of approximately 175 GW annually.



## Green Bond Allocation by Sector and Country



### Allocation Information of the green bond program

|                            |           |
|----------------------------|-----------|
| # Countries                | 9         |
| Number of Projects         | 17        |
| Elegible Categories        | 5         |
| Total Amount Allocated USD | 1,614,000 |

## Green Bond Harmonized Impact Report 2022 – Eligible projects by sector

### Renewable Energy and Energy Efficiency



| # | Project Name and Description                                                                                                                                                                                                                                                                                                                         | Country            | Project Life | Adaptation / Mitigation | Annual Energy Savings MWh | Annual Energy Produced MWh | Renewable Capacity Added MW | Annual GHG Emissions Avoided/Reduced Tons of CO2 | Other indicators or results                                                                                                                                                                                                                                                                                                        | CAF's Share | Committed <sup>1</sup> USD MM | Allocated <sup>2</sup> USD MM                                   |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------|-------------------------|---------------------------|----------------------------|-----------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------|-----------------------------------------------------------------|
|   | Wind Farm Park Artilleros - ROUAR: The project consists of the construction and operation of a wind farm park with 31 generators of 2.1MW nominal output, resulting in an installed capacity of 65.1 MW. (FY 2015/2016)                                                                                                                              | Peru               | 15           | Mitigation              | na                        | 393,135                    | na                          | 242,674                                          | na                                                                                                                                                                                                                                                                                                                                 |             | 37.3                          | Loan was pre-paid in August of 2022. No longer part of program. |
| 1 | Electric Generation: Small hydro-plants Angel I,II,III. Project consists of three hydro plants, each with an installed capacity of 20 MW and the corresponding transmission lines to connect with the national electrical network (FY 2014).                                                                                                         | Peru               | 15           | Mitigation              | na                        | 393,135                    | na                          | 242,674                                          | na                                                                                                                                                                                                                                                                                                                                 |             | 37.3                          | 25.7                                                            |
| 2 | The Distribution Grid Modernization and Loss Reduction project objective is to improve the financial viability of the electricity distribution companies (EDEs) by reducing energy losses in 10 circuits that will be rehabilitated as well as improve their meters and consequently increase the supply of electricity. Energy Efficiency (FY 2019) | Dominican Republic | 18           | Mitigation              | na                        | na                         | na                          | 2,155,230 (after project completion)             | <ul style="list-style-type: none"> <li>Approximately 1,488,000 users will benefit of a better service, as their electricity supply is rationed and not continuous, due to energy loss originated by corresponding circuits.</li> <li>588 km of rehabilitated electric distribution lines.</li> </ul>                               | 17%         | 75                            | 35                                                              |
| 3 | Program to modernize and improve the electrical distribution and transmission process by energy losses. As of 2018, energy losses represented 24.5% of total energy production. Energy Efficiency (FY 2020)                                                                                                                                          | Paraguay           | 18           | Mitigation              | na                        | na                         | na                          | na                                               | <ul style="list-style-type: none"> <li>Approximately 2.2 million users will benefit improving power supply reliability, reduce energy losses as their electricity supply is rationed due to energy loss.</li> <li>2,056 km of rehabilitated electric distribution lines.</li> <li>45% reduction in average energy loss.</li> </ul> |             | 250                           | 130                                                             |

<sup>1</sup> Committed amounts refers to the total loan amount approved by CAF

<sup>2</sup> Allocated refers to the amount that will be earmarked for CAF's Green Bond Program. This is not co-financed and is the related share of the project that is considered green.



## Clean Transportation

| # | Project Name and Description                                                                                                                                                                         | Country | Project Life - Years | Adaptation / Mitigation | Passengers/Kilometers                                                                                                                                                             | Annual GHG Emissions avoided/reduced tons of CO2 | Other indicators or results          | Committed <sup>3</sup> USD MM | Allocated <sup>4</sup> USD MM |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------|-------------------------------|-------------------------------|
| 1 | Quito Metro Line One: Improvement urban mobility in the city of Quito improving public transport and reduce emissions of pollutants and GHG (FY2015)                                                 | Ecuador | 15                   | Mitigation              | <ul style="list-style-type: none"> <li>• 296,000-400,000 per day</li> <li>• 22km of metro line construction</li> </ul>                                                            | 82,285 annually                                  | 40% reduction in average travel time | 250                           | 126                           |
| 2 | Lima Metro Line 2: Construction of a subway line and related infrastructure improving transportation in the east-west axis of the Lima-Callao Metropolitan area (FY2015/2016)                        | Peru    | 8                    | Mitigation              | <ul style="list-style-type: none"> <li>• 360,000-600,000 passengers per day</li> <li>• Approximately 35km of metro line construction</li> </ul>                                   | 46,120 tons of CO2/year                          | 34% reduction in average travel time | 150                           | 68                            |
| 3 | Sao Paulo Metro Line 17: improve access and urban mobility in the southern part of the city of Sao Paulo through the construction of Line 17-Oro and its integration with the subway system (FY2019) | Brazil  | 20                   | Mitigation              | <ul style="list-style-type: none"> <li>• 185,000 per day</li> <li>• 7,7 km of elevated construction</li> <li>• 8 stations</li> </ul>                                              | 43,300 tons CO2/year                             |                                      | 296                           | 238                           |
| 4 | Extension of São Paulo Metro Line 2 - Green Line: Improve access and urban mobility in the city of Sao Paulo with the extension of the line 2 with an additional 8,3 km (FY 2021)                    | Brazil  | 23                   | Mitigation              | <ul style="list-style-type: none"> <li>• 320,000 passengers</li> <li>• 8,3 km of metro line construction</li> <li>• 8 stations</li> <li>• Acquisition of 22 new trains</li> </ul> | 18,580 tons CO2/year                             |                                      | 550                           | 425                           |

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# 2022 Green Bond Report

## Sustainable Management of Living Natural Resources and Land Use

| # | Project Name and Description                                                                                                                                                                                                          | Country  | Project Life - Years | Adaptation / Mitigation | Other indicators or results                                                                                                                                                                  | Committed <sup>1</sup> USD MM | Allocated <sup>2</sup> USD MM |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| 1 | SA Impact Forestry Fund (SAIFF), aimed at funding a 60,000-hectare (148,000-acre) forestry plantation project in southern Paraguay. The project includes a conservation area to preserve and restore native fauna and flora (FY2022). | Paraguay | Up to 8 years        | Mitigation              | <ul style="list-style-type: none"> <li>• Forest Stewardship Council</li> <li>• Verified Carbon Standard (VCS) de Verra</li> <li>• Reforestation of 60,000-hectare (148,000-acre).</li> </ul> | 15                            | 15                            |

## Multiple Eligible Categories

| # | Project Name and Description                                                                                                                                                                                                                                        | Country | Project Life - Years | Adaptation / Mitigation | Other indicators or results                                                                                                                                                                                                           | Committed USD MM | Allocated USD MM |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| 1 | Vinci Climate Change Fund, the project concerns an equity fund targeting investments in climate action infrastructure. The fund will provide equity and quasi-equity to renewable energy and water sanitation projects. Target size of the fund is 400 MM (FY2022). | Brazil  | Up to 12 years       | Both                    | The fund aims to promote climate action and environmental sustainability addressing sustainable development goals (SDGs) such as Climate Action (SDG 13), Affordable and Clean Energy (SDG 7) and Clean Water and Sanitation (SDG 6). | 10               | 10               |

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## Water and Waste Management projects



| # | Project Name and Description                                                                                                                                                                                                                                                                                                        | Country   | Project Life | Adaptation / Mitigation | Annual amount of wastewater treated/reused/avoided     | Annual GHG Emissions Avoided/reduced Tons of CO2 | Other indicators or results                                                                                                                                                                                          | Committed <sup>1</sup> USD MM | Allocated <sup>2</sup> USD MM |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------------|-------------------------|--------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| 1 | Wastewater treatment Plant, Panama City and Panama Bay: Build and improve the collector systems of Panama City and surrounding areas, separate the sanitary and rainwater flows from the combined sewerage systems of the Calidonia, Bella Vista and Chanis areas (FY2015/2016).                                                    | Panama    | 16           | Both                    | 2.9 m3/s                                               | 46,120 tons of CO2/year                          | • Approximately 626,000 people will benefit from this project.                                                                                                                                                       | 110                           | 90                            |
| 2 | Wastewater treatment plant in the region of Guanguarcho - Cuenca: Extend the sanitation service coverage and improve the environmental conditions of the city of Cuenca and its surroundings, through the construction of a new wastewater treatment plant (FY2019).                                                                | Ecuador   | 18           | Adaptation              | 1,200 m3/s                                             | na                                               | • Approximately 400,000 people will benefit from this project.                                                                                                                                                       | 34.1                          | 17.1                          |
| 3 | Potable water treatment plant in the regions of La Plata, Berisso y Ensenada: Construction of plant in addition to the diagnosis of quality of subterranean water, rehabilitation of distribution networks and reduction of water loss (FY 2020)                                                                                    | Argentina | 15           | Adaptation              | 10,000 m3/h                                            | na                                               | • 800,000 people will benefit from this project.                                                                                                                                                                     | 119                           | 80                            |
| 4 | Program Mais Mogi Ecotiete - Municipality Mogi Das Cruzes - Water Sanitation: Modernization and improvement of waste water treatment plant Leste. Installation of 5 new water pumps as well as the renovation of the existing network to support the new derange. (FY 2020)                                                         | Brazil    | 18           | Adaptation              | Increase of the capacity of the plant to 0.29 m3/s     | na                                               | • 300,000 people will benefit from this project.                                                                                                                                                                     | 34.7                          | 30                            |
| 5 | Mi Agua Program: IV, IV phase 2, V. Multi-stage national program in Bolivia with the goal of providing access to drinkable water to the whole country population. The various phases indicated contemplate over 500 small projects with low complexity for providing potable water and 18 water sanitation projects (FY 2017/2018). | Bolivia   | 15           | Adaptation              | 183,960 m3/year                                        | na                                               | • 296,000 families will benefit from this project.<br>• 100,000 new conexions of potable water.<br>• The construction of the Tachira waste water treatment plant in the city of el Alto.                             | 177                           | 100                           |
| 6 | Drinking Water Supply and Basic Sanitation Program in Rural and Urban Areas in Buenaventura District: Construction, expansion and rehabilitation of aqueduct, sewerage and wastewater treatment systems. The program aims to improve environmental and sanitation conditions in the urban and rural areas of this district (FY2020) | Colombia  | 20           | Adaptation              | increase the capacity of treated water up to 2,400 l/s | na                                               | • Up to 400,000 people will benefit from this project.<br>• Construction of 11.2Km of drainage and providing new potable water connections                                                                           | 76                            | 60                            |
| 7 | Desenvolvimento Socioambiental de Sobral Program - PRODESOL: Project is to extend and rehabilitate the drainage and sanitation system in the city of Sobral (FY2018).                                                                                                                                                               | Brazil    | 16           | Adaptation              | na                                                     | na                                               | • Up to 205,000 people will benefit from this project.<br>• Construction 3 news waste water treatment plants.<br>• Repair or replacement of 32 pumps.<br>• Rehabilitation of 8 existing wastewater treatment plants. | 50                            | 39                            |

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# 2022 Green Bond Report

| # | Project Name and Description                                                                                                                                                   | Country  | Project Life | Adaptation / Mitigation | Annual amount of wastewater treated/reused/avoided | Annual GHG Emissions Avoided/reduced Tons of CO2 | Other indicators or results                                                                                                                                                                 | Committed <sup>1</sup> USD MM | Allocated <sup>2</sup> USD MM |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------------|-------------------------|----------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|
| 1 | Project for the construction of the sanitary sewage system, wastewater treatment plant and improvement of the potable water system of the Mariano Roque Alonso Basin (FY2022). | Paraguay | 20           | Adaptation              | 0.8 m3/s                                           | na                                               | <ul style="list-style-type: none"> <li>• Up to 115,000 people will benefit from this project.</li> <li>• Construction of 73 Km of drainage and a water treatment plant and the i</li> </ul> | 160                           | 125                           |

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## About CAF

Founded in 1970, CAF is a development bank currently owned by 21 countries including 19 in Latin America and the Caribbean, Spain and Portugal as well as 13 private banks in the region. CAF's main mission is to promote a sustainable development and regional integration with the goal of improving the quality of life for Latin American people.

CAF offers financial and related services to the governments of, and public and private institutions, corporations and joint ventures operating in, its shareholder countries. Primarily, CAF provides short, medium and long-term loans and guarantees; to a lesser extent, CAF also participates as a limited equity investor in corporations and investment funds, and provides technical and financial assistance, as well as administrative services for certain regional funds.

## Investor relations contact

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## Disclaimer:

Reporting is based on ex-ante estimates at the time of project origination. The impact reports include estimated results of projects that are still in the construction phase, meaning there is no guarantee that these results will ultimately materialize as stated. In addition, impact reports should not be analyzed as results achieved in a specific year.

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