Turning Investment into Positive Impact

SUSTAINABLE INFRASTRUCTURE DEBT FUND

ESG
REPORT
2024

Cifi

Published by
Corporación Interamericana para el
Financiamiento de Infraestructura (CIFI)
www.cifi.com

Title
Turning Investment into Positive Impact
Sustainable Infrastructure Debt Fund – ESG Report 2024

Date of publication
April 2025

Editing, design and layout
BIZARRA COMMS, S.A.

Acknowledgements
We thank our partners, investors, and project stakeholders whose collaboration continues to drive sustainable impact across Latin America and the Caribbean.

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Prologue

Javier Escorriola
Managing Partner of CIFI Asset Management

The development challenges facing Latin American and Caribbean nations require solid investment strategies to fund and facilitate the implementation of essential infrastructure. Investment aligned with global standards is crucial, making it imperative to identify projects that offer promising returns for investors to secure the necessary financing for the region's needs.

Sustainable infrastructure has become a key focus in the financial sector in recent years, capturing the interest of investors. With over 23 years of experience in financing infrastructure with a strong focus on renewable energy, CIFI made the strategic decision early on to place sustainable infrastructure at the heart of its mission. CIFI Asset Management's latest regional fund, the Sustainable Infrastructure Debt Fund (SIDF), is a testament to this investment philosophy. This report showcases the Fund's most recent activity and successes.

The SIDF drives prosperity across the region by fostering investment and promoting environmental stewardship. Built on the foundations of the Sustainable Development Goals (SDGs), the Paris Agreement, and the International Finance Corporation (IFC) Performance Standards, the Fund has consistently supported private infrastructure projects within the highest international frameworks.

Under CIFI Asset Management's leadership, the SIDF brings together capital from both private and public entities, with anticipated disbursements totaling US$200 million and the mobilization of over US$500 million through syndications. Limited partners of the Fund stand as proven success stories of entities that have benefited from co-financing infrastructure projects with the SIDF.

With over US$70 million disbursed to date, the Fund has allocated 50% of its available capital as of June 2024. The SIDF portfolio includes the solar energy initiatives AXS (Brazil), Origo (Brazil), oEnergy (Chile), and Monte Plata (Dominican Republic), as well as Almacenes del Norte, a strategically located sustainable logistics facility in Peru.

In December 2024, the Fund welcomed new limited partners: Symbiotics Sicav (Lux.), the Central American Bank for Economic Integration (CABEI), and Dominican Sustainable Trust Fund I. These newest limited partners have contributed an additional US$39.5 million in equity, for a total potential fund size of US$200 million.

The SIDF remains committed to mobilizing capital where it is most needed. Through a comprehensive risk management framework, rigorous oversight, and in-depth analysis of opportunities, the Fund continues to bridge the financing gap for sustainable infrastructure projects across the region.

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Sustainable Infrastructure Context

The role of sustainable infrastructure in furthering development efforts in Latin America and the Caribbean while contributing to global sustainability initiatives is now more crucial than ever. Infrastructure remains a key pillar for progress in the region, as nations strive to enhance the quality and accessibility of essential services while implementing drivers for economic growth.

However, many countries throughout the world lack sufficient public capital, in addition to the advisory resources necessary to implement relevant projects without other financing options. According to the Inter-American Development Bank (IDB), there is a need for an additional US$250 billion annually to fill the existing gap in infrastructure in Latin America and the Caribbean, requiring countries to obtain financing through other means, including public-private partnerships. Furthermore, shifting political and economic landscapes may directly impact economic trends in the years to come, and private investors' participation in infrastructure advancements through instruments, such as the SIDF will become vital to meet funding needs.

Meanwhile, the escalating climate crisis poses an urgent global challenge and requires increased investment flows to effectively address it. This need is particularly evident in Latin America, where adaptation finance amounted to US$6.1 billion in the period 2021–2022, far below the estimated US$ 215-284 billion needed annually between 2023 and 2030 to finance a low-carbon and resilient transition in the region. Moreover, this figure reveals a clear imbalance between mitigation and adaptation efforts, as adaptation represents only 12% of the region's total climate finance (Ruiz & Martinez, 2024). This scenario offers a prime opportunity for investors to aid in developing essential infrastructure projects, contributing to the region's development efforts while addressing the world's most pressing environmental threats.

Photo by mlkbnl on Pexels.

While global efforts have resulted in notable progress towards reaching climate goals in terms of reducing greenhouse gas (GHG) emissions, there is still much work to be done to achieve the 2030 targets. According to a 2024 report from the Economic Commission for Latin America and the Caribbean (ECLAC), the region will have to significantly increase its emissions reduction rates in the coming years from 0.9% to 3.9% to meet targets for limiting global temperature rise (ECLAC, 2024B). Multiple economic sectors contribute to greenhouse gas emissions in the region. For example, energy contributes 25% of emissions for Latin America and the Caribbean, making clean energy initiatives imperative (ECLAC, 2024B). Investment in sustainable infrastructure is essential to achieve emissions reduction.

Latin America and the Caribbean are well-positioned to advance in sustainable infrastructure development in 2025, creating potential for countries to meet urban expansion demands while addressing global environmental targets. For investors, sustainable infrastructure projects in the region continue to offer solid financial returns. Additionally, these projects promote collaboration between the private sector, government, and communities.

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Role of Sustainable Infrastructure

As defined by the United Nations Environment Programme (UNEP), sustainable infrastructure systems contemplate economic, financial, social, environmental, and institutional sustainability throughout the lifecycle of the project, including planning, design, construction, and operational phases, as well as when projects are

decommissioned (2025). Infrastructure influences the attainment of 92% of Sustainable Development Goals (SDGs) targets (UNEP, 2021), therefore, impact investing in sustainable infrastructure will consequently spearhead the consecution of the global Sustainable Development Goals.

Currently, according to the United Nations Development Programme (UNDP), poverty and social inequality are some of the most pressing factors inhibiting economic development around the world (UNDP, 2025). In this context, as a powerful catalyst for progress, sustainable infrastructure offers the potential to expand job markets with the modernization of essential services and economic diversification. Investments in the transportation sector, for instance, enhance connectivity and facilitate access to broader employment opportunities (Brichetti et al., 2021). Sustainable infrastructure also provides access to resources needed to advance public health initiatives. Water and sanitation projects are often vital investments in underdeveloped regions to meet the basic needs of populations (Brichetti, et al., 2021). In terms of development, sustainable infrastructure plays a pivotal role in the creation of long-term economic prosperity.

Global Panorama of Climate Financing

Climate continues to be at the forefront of considerations for national policy development as nations throughout the world assess their contributions to the Paris Agreement and address investment challenges. Private funding is an essential factor to obtain sufficient capital for bringing infrastructure plans to fruition (Griffa, 2025).

Globally, countries have taken a variety of approaches to directing financing to projects that address climate factors. Governments, in many cases, have taken the lead in implementing more environmentally sustainable financing strategies, such as incorporating environmental, social, and governance (ESG) guidance into national investment plans. Brazil, for example, has utilized ESG bonds totaling US$2 billion per year, with proceeds addressing social and environmental needs, including programs to aid Amazon preservation efforts (Strohecker, George, & Jones, 2024).

Public-private partnerships are also a promising strategy, allowing governments to benefit from private investment for implementing necessary infrastructure projects due to both the availability of financial capital and innovative technical assistance provided. A notable example of this approach is Chile's successful public-private partnership in transportation infrastructure, which has not only strengthened the nation's connectivity, but also served as a model for collaboration across the region (ECLAC, 2024A).

Overall, as an increasingly attractive option for investors over the years, climate funding must be aligned with development areas of national interest to ensure the duration of projects and sustainability.

Trends in Latin America

The region is at the forefront of green investment, with trends showing steady growth in financing sustainable infrastructure throughout recent years. S&P Global Ratings predicts that structured finance issuance in Latin America will reach $35 billion in 2025, coinciding with a 2% average increase in gross domestic product (GDP) (S&P Global, 2025). Much of this is attributed to the persistent infrastructure needs throughout the region that require foreign and private investment.

Throughout the region, different sectors are expected to see varying levels of investment. For the transportation sector, previous economic increases following the COVID-19 pandemic are now slowing to a neutral state, with impacts from current global trade realities balancing with positive expectations for industry growth and regulatory frameworks at the national level (Fitch Ratings, 2024).

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In the region, infrastructure development is strongly needed in the telecommunications sector as the demand for internet services in lower-income and rural areas remains high. This offers opportunities for investment and catalyzes economic and social advancements for local communities (UNDP, 2025). In Latin America, larger data center companies invested over US$2 billion in 2024, thus inherently increasing the demand for other infrastructure services, including those used for power generation and managing water resources (White and Case, 2024). With the continued need for telecommunications services, further infrastructure enhancements will continue to be needed.

Throughout the shifting trends that have shaped the start of the year, CIFI and its partners remain firm in their commitment to sustainability by driving investment into projects where it is most needed to continue striving to meet global climate goals. With opportunities to finance efforts that leave lasting benefits, sustainable infrastructure continues to be essential to ensure a positive future for communities.

Photo by Donna McCoy on Unsplash.

About CIFI

As a longstanding innovator in providing financing solutions for Latin America and the Caribbean, CIFI stands out as a leading investment platform funding responsible energy and infrastructure projects that generate positive impacts in local communities. By offering advisory services, loan structuring, financing, and asset management within the framework of Project Financing and Structured Corporate Financing, CIFI earns its reputation as an institutional model for sustainable investment.

Founded in 2001 in Washington, D.C., CIFI has maintained its headquarters in Panama since 2016. Its shareholder base includes development financial institutions, commercial banks, and Valora, a company owned by CIFI's executive team. Together, these entities bring a diverse wealth of technical and investment expertise that strengthens the institution's corporate structure.

CIFI continues to expand its Asset Management business, channeling capital into sustainable infrastructure across the region through a multi-sectoral approach. The company strategically directs funds to renewable energy, telecommunications, smart cities, construction, leisure and recreation, water and sanitation, transportation and logistics, healthcare, education, public services, and waste management. Leveraging a strong understanding of key indicators for successful investment, CIFI ensures positive outcomes for client assets while serving as a catalyst for long-term, positive impact in the region.

FIGURE 1: CIFI'S SHAREHOLDER STRUCTURE

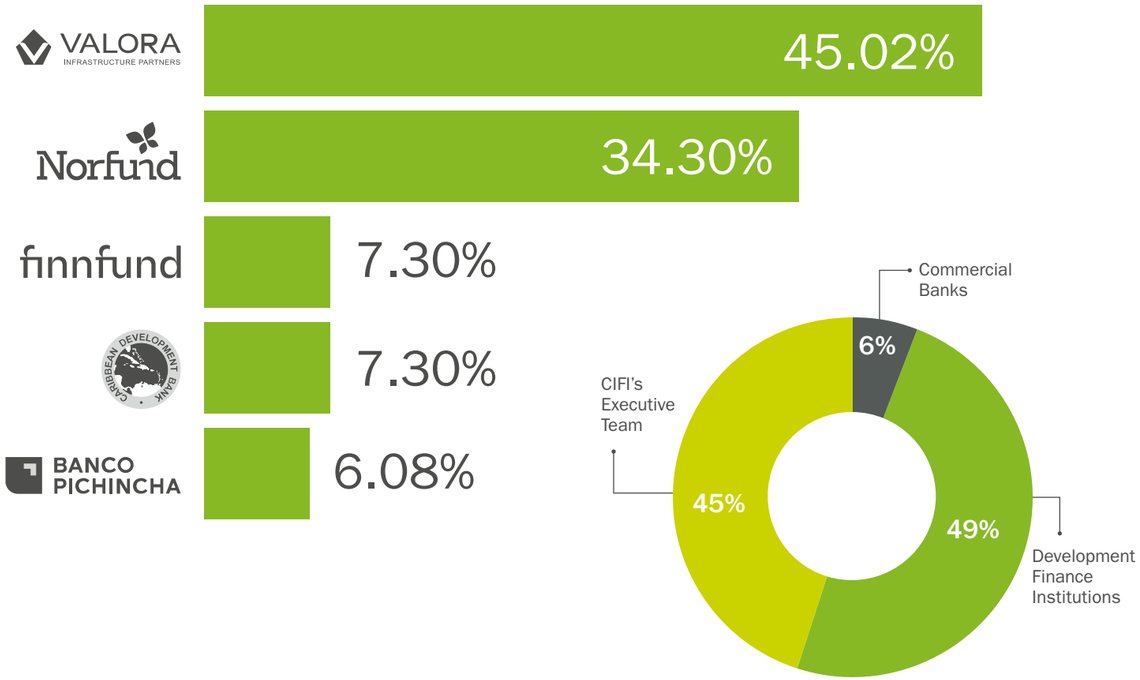

Photo by Nick Collins on Pexels.

Corporate Governance

CIFI's corporate governance structure is supported by a highly experienced team, which has enabled a diverse portfolio of successful financial transactions over time. Upholding CIFI's reputation as a leading investment platform funding responsible and impactful projects, the Board of Directors oversees compliance with standards and policies, while providing strategic direction and guaranteeing transparency.

CIFI harnesses decades of collective expertise to offer risk-adjusted opportunities with strong returns to institutional investors. Environmental and Social risks within CIFI's portfolio are rigorously analyzed and managed by a dedicated team of experts, with oversight from the Credit and Risk Committees throughout the investment cycle, ensuring sound risk management and enhanced profitability.

CIFI manages environmental and social risks through internationally recognized sustainability standards, including the International Finance Corporation (IFC) Performance Standards and the Equator Principles. These frameworks are integrated into its Environmental and Social Management System, ensuring compliance with both international best practices and country-level requirements.

By fostering effective collaboration with stakeholders, including governments and project partners, CIFI upholds rigorous standards throughout project development and implementation. This approach demonstrates CIFI's unwavering commitment to advancing a resilient and sustainable future for the region.

The successful financing of more than 215 infrastructure projects across Latin America and the Caribbean—resulting in over US$2 billion in disbursements and US$21 billion in mobilized capital—reflects the trust investors have in CIFI's business model.

Management Team

Cesar Cañedo-Argüelles
Chief Executive Officer

Javier Escorriola
Managing Partner of Asset Management

Ramon Candia
Chief Investment Officer

Carla Chizmar
Head of Environmental, Social, and Governance

Jose Salaverria
General Counsel

Fabio Arciniegas
Chief Operating Officer

CIFI's Role and Investment Process

CIFI, through its Asset Management Subsidiary, acts as a Fund Manager for the SIDF, overseeing investment decisions and daily operations. Its primary role is to strategically originate and manage the Fund's assets, ensuring alignment with financial objectives, investors' expectations while maintaining a balanced approach to risk and return.

The investment process begins with identifying such projects and ensuring they fit the investment criteria. After analyzing the project's potential and risks, CIFI's team and external advisors perform due diligence to assess the market strengths and challenges. An investment proposal is then developed and refined to make the transaction bankable.

Once the deal is presented and negotiations occur with the project sponsor and legal advisors, final steps can be taken to allow for disbursements and the implementation of investment and compliance monitoring. This strategic process ensures that projects can be planned and implemented in accordance with risk, ESG, and market standards while ensuring the highest possible returns during the investment cycle.

CIFI incorporates an ESG Policy Framework that considers climate change, human rights, and gender equality factors for analysis and risk assessment. The establishment of mitigation actions, in addition to sustainability indicators, ensures compliance with CIFI's standards and is integrated throughout the investment process.

CIFI's policy framework is based on international standards for sustainability, including the Equator Principles, the IFC Performance Standards on Environmental and Social Sustainability, the World Bank Environmental Health and Safety (EHS) Guidelines, the International Labour Organization (ILO) Fundamental Conventions, the United Nations (UN) Guiding Principles on Business and Human Rights, and national policies and legislation in project site countries that regulate local environmental, social, and labor standards.

With its highly specialized background as a sustainable investment champion in the region, CIFI continues to fulfill a crucial role as an innovative catalyst for promoting long-term impact investments within countries in Latin America and the Caribbean.

About the SIDF

Across Latin America and the Caribbean, infrastructure development is a major catalyst for economic growth, transforming various sectors within each country. As nations in the region eagerly seek to expand their infrastructure as a key step toward achieving their development goals, investment becomes essential. Alongside it, specialized support is crucial to turn project ideas into reality.

This scenario presented an important opportunity for CIFI to leverage its expertise in project financing services, particularly through the creation of a debt fund aimed at investing in infrastructure sectors with a high potential for maximizing positive outcomes. The SIDF was established to generate attractive long-term investment returns by channeling financial resources into a diversified portfolio of sustainable infrastructure projects across the region.

Through the establishment of a US$200 million debt fund that co-invests in transactions with CIFI, the SIDF aims to allocate at least 50% of its investments to renewable energy. The fund has an internal rate of return (IRR) of 9.93% in US Dollar with solid credit structures that minimize volatility. The fund achieved its first closing of US$138 million in 2023, and the final closing in December 2024.

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Several pressing global factors contributed to the creation of the SIDF. Given the ongoing need for private investment to drive infrastructure development worldwide, the SIDF was established to help bridge the US$90 trillion financing gap estimated by the World Bank by 2030. Beyond providing crucial support to countries in developing essential infrastructure to meet daily population needs, the fund also advances global sustainability efforts, including climate change mitigation and enhanced resilience.

The Fund recognizes that investing in sustainability generates significant benefits both locally and globally and commits to working in pursuit of such benefits. From an investment perspective, integrating sustainability into financing strategies provides effective solutions for risk management and enhances returns for investors—often surpassing those of conventional investments.

Financing sustainable infrastructure projects is recognized for its low volatility, capital preservation, and high recovery rates, which has garnered the attention of investors in recent years. Moreover, collaboration between the private sector and governments ensures that investments align with long-term development goals, addressing the unique priorities of each country while fostering sustainable growth.

By integrating international standards into its sustainability approach, the Fund continues to position itself as a promising vehicle for generating positive impacts for communities across Latin America and the Caribbean. The projects within the SIDF portfolio have already delivered measurable and meaningful results, contributing to the Sustainable Development Goals and supporting the implementation of the Paris Agreement's recommendations to address climate change and enhance resilience across the region. Overall, the SIDF stands as a robust investment tool, promoting responsible and long-term development solutions that meet the needs of both people and the environment.

Fund Size
US$200MM

Total Debt
US$100MM

Total Capital
US$100MM

≥ 9% IRR

50% renewable energy

AS OF DECEMBER 2024

Total Debt
US$75MM

Total Capital
US$100MM

9.93% IRR

Portfolio of 5 projects

78% renewable energy

Overview

- US$200 million debt fund that participates in innovative infrastructure transactions with CIFI.
- Focused on cutting-edge sustainable social and environmental infrastructure sectors.
- Regional fund with promising credit structures in Latin America and the Caribbean.
- Aiming at a minimum of 50% of portfolio investment in renewable energy, with an IRR ≥ 9% in US$ with low volatility.

Market Opportunity

- Infrastructure is a key economic growth factor in the Latin American and Caribbean region, with strong investment trends.
- Private sector investment is a vital support for regional governments to impact growth.
- Incorporation of Environmental, Social, and Governance factors allows for improved performance.
- Proven impact in promoting climate change resiliency and economic growth.

Sustainable Infrastructure

- Strict adherence to criteria that define sustainable infrastructure.
- Evidence of monitoring and success published in an annual impact report.
- Combining Environmental, Social, and Governance risk management with real impact for communities.
- Aligning with the Sustainable Development Goals and the Paris Agreement.

CIFI's Added Value

- Strong origination capacity with a proactive experienced senior team on the ground.
- Proven track record executing the same strategy consistently for over 20 years.
- Solid credit structure with low credit loss ratio for investors.

Annual Closeout as of December 2024

In 2024, the second closing of the SIDF welcomed three new limited partners, raising significant capital for sustainable initiatives.

With its final closing, the SIDF secured US$100 million in capital, driving the development of impactful sustainable projects.

On July 28, 2023, the lenders signed a Term Facility Agreement (TFA).

US$75MM
TOTAL AMOUNT LENDERS

LENDERS	
DEG	**US$20MM**
OeEB	**US$20MM**
Proparco	**US$20MM**
Finfund	**US$15MM**

On December 23, 2024, the newest limited partners signed subscription agreements and Limited Partnership Agreements (LPA).

US$100MM
TOTAL AMOUNT LIMITED PARTNERS

LIMITED PARTNERS*	
CABEI	**US$20MM**
Norfund	**US$20MM**
Dominican Sustainable Fund Trust I	**US$18MM**
CIFI LP	**US$15MM**
Prival Bank, S.A.	**US$10MM**
Prival Bond Fund, S.A.	**US$10MM**
Triodos	**US$5.5MM**
CIFI GP	**US$1.5MM**
Symbiotics Sicav (Lux.) – SEB Impact Opportunity Fund	**US$1.5MM**
MMG Bank Corporation	**US$1.0MM**

*Please note that the amounts may be subject to additional fees or expenses, including but not limited to catch-up contributions.

Partners

LIMITED PARTNERS

The Central American Bank for Economic Integration (CABEI) is a multilateral development financial institution founded in 1960 to promote economic integration and balanced development in Central America. Headquartered in Tegucigalpa, Honduras, CABEI supports both public and private sectors by providing financial solutions, including loans and guarantees. CABEI addresses some of the globe's most pressing needs with a focus on reducing poverty, enhancing regional integration, and promoting environmental sustainability.

Norfund, the Norwegian Investment Fund for developing countries, plays a crucial role in fostering sustainable development. By investing in businesses that create jobs and improve livelihoods, Norfund aims to strengthen the private sector and reduce poverty in developing countries. It is owned and funded by the Norwegian Government, making it a key tool in their efforts to support economic growth and development globally.

The Dominican Sustainable Fund Trust I is a vehicle designed to act as an intermediary, structured to allow pension funds the opportunity to participate in the SIDF. Their approach allows for more investment to be carried out in the Dominican Republic's most needed infrastructure projects to better connect local pension resources and sustainable investment opportunities. This structure ensures that the investments align with global sustainability standards while providing secure, diversified options for the pension funds, ultimately contributing to the financial growth and ethical investment landscape of the Dominican Republic.

Prival Bank, S.A. is a longstanding financial institution specializing in private banking and investment banking services in Panama and Central America. Founded by experts from various sectors of the industry, it provides superb guidance on wealth management and supports clients with their personal and business financial needs.

Triodos is a globally active impact investor that views sustainable investing as a crucial driving force in the transition toward a more inclusive and resilient world. By focusing on investments that generate positive social and environmental impacts, Triodos aims to contribute significantly to the development of a more just and greener global economy.

MMG Bank Corporation is a notable financial and strategic advisory firm recognized for its strong focus on client services. It caters to both institutional and private clients, offering a range of services including general banking, brokerage, and fiduciary services. MMG Bank is actively involved in the financial markets of Panama and maintains a presence in The Bahamas.

Prival Bond Fund, S.A. is a leading closed-end investment company focused entirely on a fixed-income strategy. Its robust investment portfolio consists of public and private debt issuances from institutions in the Republic of Panama and Central America. The fund aims to generate sustainable cash flows with a return higher than bank deposits.

Symbiotics – SEB Impact Opportunity Fund is a microfinance fund managed by Symbiotics in partnership with SEB. Launched to support socioeconomic development in emerging markets, the fund provides financing to microfinance institutions, small and medium enterprises (SMEs), and other vital sectors such as renewable energy, sustainable agriculture, education, and healthcare. The fund maintains a commitment to promote positive social and environmental impact while offering investors attractive returns.

LENDERS

DEG is a committed partner to private-sector companies and financial service providers operating in developing markets. Its customers are primarily based in developing and emerging-market countries, as well as in Germany and other industrialized nations. Since 2001, DEG has been a subsidiary of KfW Development Bank. It provides essential support to private enterprises in developing countries through two main approaches: directly financing them with loans and equity investments, and investing in local banks and financiers, which in turn provide critical financing to SMEs on the ground. As a development finance institution, DEG offers a unique advantage with specialized custom solutions for companies, including loans and equity investments.

OeEB serves as the investment bank for overseas operations in developing countries and emerging markets and is based in the Republic of Austria. By providing capital in the form of both credit and equity to companies that lack financial resources, OeEB creates transformational economic growth opportunities for communities in need around the globe. Its efforts and commitment are focused on fostering sustainable development and supporting businesses that drive positive change in these regions.

Proparco is the private sector financing arm of the Agence Française de Developpement Group (AFD Group). For over 45 years, it has been a leader in promoting sustainable economic, social, and environmental development. Proparco provides essential funding and support to businesses and financial institutions across Africa, Asia, Latin America, and the Middle East. Its efforts are concentrated on key development sectors such as infrastructure (with a particular focus on renewable energies), agribusiness, financial institutions, health, and education. Its operations aim to enhance the contribution of private investors towards achieving the Sustainable Development Goals (SDGs) adopted by the international community in 2015.

Finnfund is a leading development financier and impact investor dedicated to building a sustainable future and generating lasting impact by channeling funding into businesses that address pressing global development challenges. It provides businesses operating in Africa, Asia, and Latin America with risk capital, long-term investment loans, mezzanine financing, and expertise on how to invest in developing markets. Finnfund invests exclusively in developing countries as defined by the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD/DAC). Its projects are expected to be profitable, socially and environmentally responsible, and to produce measurable development impacts in their target countries.

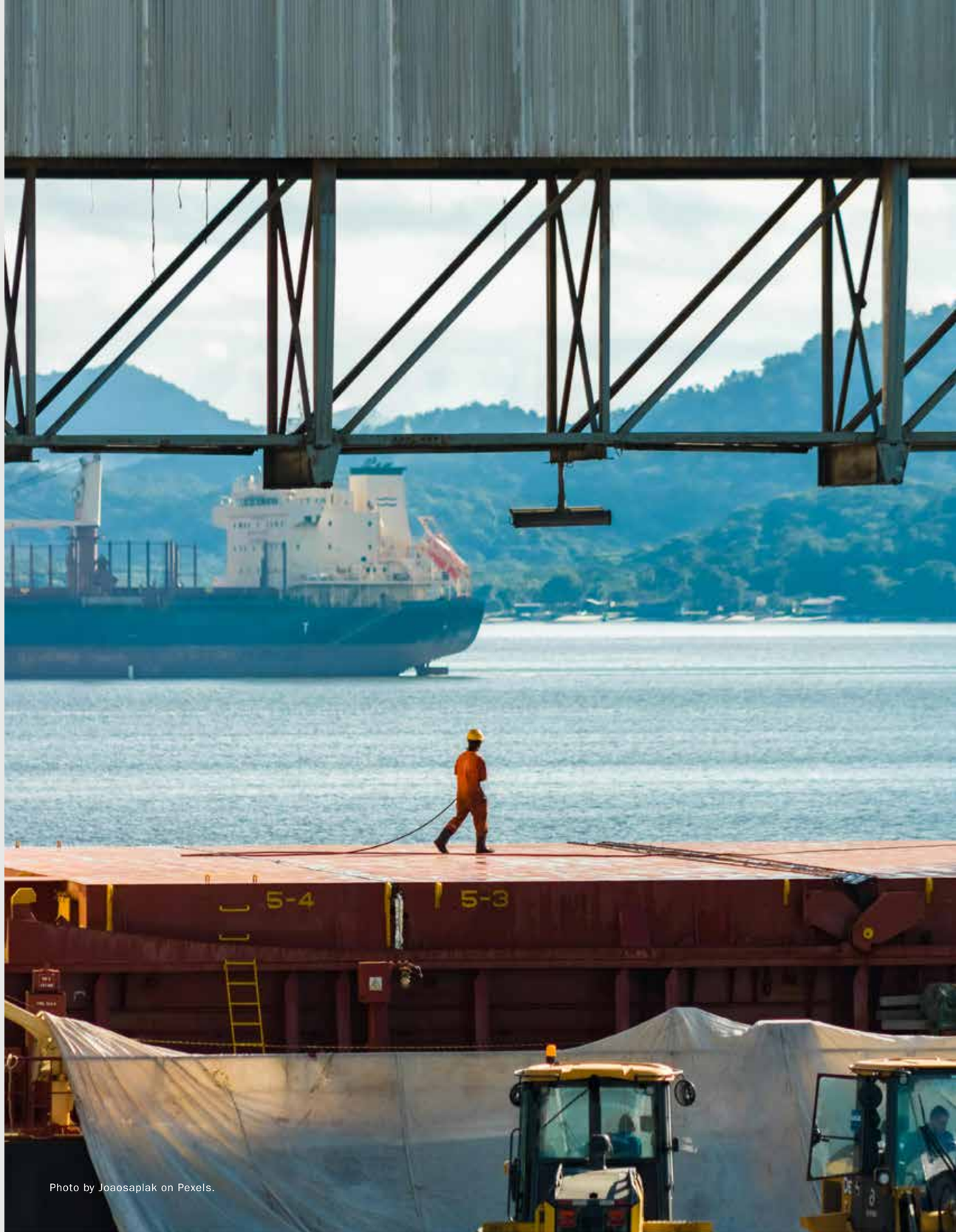


Photo by Joaosaplak on Pexels.

Investment Criteria

ELIGIBILITY CRITERIA

Infrastructure Asset Class

Diversified portfolio of private sector middle-market infrastructure assets in Latin America and the Caribbean.

Financial Instruments

Project finance, senior secured and subordinated/ mezzanine facilities, and highly structured corporate loans.

Diversification

Single maximum exposure per project of 15% of actively invested capital.

Rating

The partnership will aim for a portfolio composition of approximately **B+.**

Term

Loan maturities up to **18 years.**

Collateral

The loans will generally be collateralized through the following:
(i) Corporate assets
(ii) Cash
(iii) Multi-jurisdictional corporate guarantees
(iv) Cash flows (project finance)
Loans may also be secured with personal guarantees, personal cash, and personal assets, among others.

Type of Projects

Up to 100% of available capital

Greenfield - new infrastructure, facilities, or systems including projects operating for less than 12 months.

Brownfield - development, upgrading, or expansion of existing assets or facilities.

Cap

Maximum 30% of available capital for:
- Subordinated/mezzanine facilities
- Refinancing
- Single country

Sector

All percentages are with respect to available capital:

Renewable energy, no less than 50% of actively invested capital by the third anniversary of the initial closing.	**Up to 50%**	• **Telecommunications** • **Transportation & logistics**	**Up to 20%**	• **Smart cities** • **Construction** • **Leisure and recreation** • **Healthcare** • **Education** • **Water and sanitation** • **Waste management**

Projects in the following sectors are excluded in addition to the Fund's exclusion list:

(i) Fossil fuels (coal, crude oil, and natural gas)
(ii) Hydropower projects over 25MW
(iii) Carbon-intensive projects (high carbon footprint; ≥ 25,000 tCO_2e per year)

Sustainability Standards

(i) The International Finance Corporation (IFC) Performance Standards on Social & Environmental Sustainability, dated January 1, 2012

(ii) The ILO Fundamental Conventions (the ILO Basic Terms and Conditions of Employment, and provision on violence and harassment prevention)

(iii) The Environmental, Health, and Safety General Guidelines and Industry Sector Guidelines from the World Bank Group (April 30, 2007)

(iv) The Equator Principles, version IV, dated June 2020

PROJECT SELECTION CRITERIA

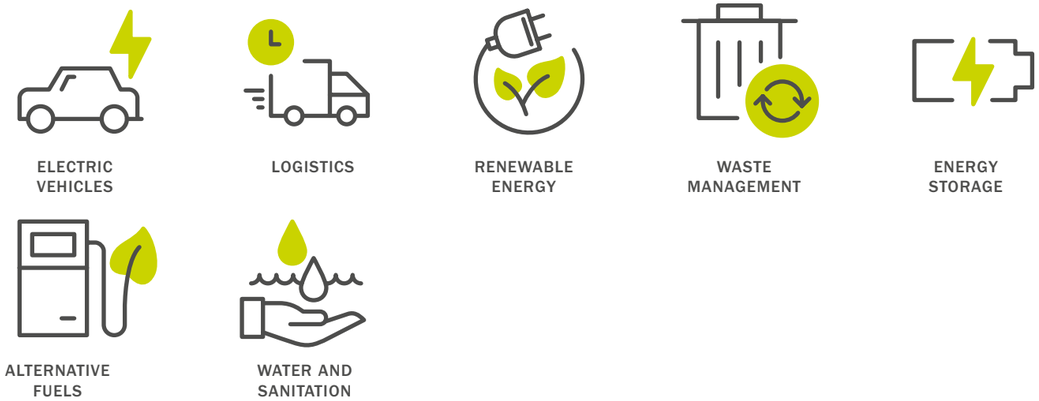
Innovative project selection criteria combine financial, technical, and sustainability factors to ensure projects achieve the highest performance outcomes. Projects must adhere to the Fund's Sustainability Policy, must not be listed under prohibited activities, and are required to meet the sustainability conditions specific to each sector and subsector.

Additionally, projects should deliver clear, tangible and measurable social and environmental benefits, aligning with the Paris Agreement and the Sustainable Development Goals, and demonstrate meaningful progress toward sustainability.

The current portfolio stands out through strong compliance with these criteria and includes four solar energy projects and one sustainable logistics project, all of which comply with the eligibility requirements for the energy and logistics sectors.

Social
Infrastructure Sectors

Environmental
Infrastructure Sectors



Sustainability

- Critical infrastructure is essential for human well-being.
- Design, construction, and operation of assets enhance social, economic, and environmental outcomes.
- Carefully selected projects align with CIFI's vision and support sustainable development.
- Gender equality, human rights, and climate change are fully integrated into CIFI's assessment criteria for Fund eligibility.

Infrastructure

- Direct lending ensures secured transactions.
- Built-in mechanisms promote strong capital preservation.
- Sector consistently demonstrates the highest recovery rate among asset classes.
- Projects exhibit low volatility and correlation with other financial markets.
- Investments deliver competitive, risk-adjusted returns.

Risk Management and Impact

- Risk management framework of the Equator Principles and IFC Performance Standards on Sustainability.
- Each project demonstrates measurable contributions towards the Sustainable Development Goals.

Climate Finance

- Climate investments support the transition to a low-carbon economy.
- Through the International Sustainability Standards Board (ISBB), the International Financial Reporting Standards (IFRS) Foundation oversees climate-related financial disclosures.
- Climate considerations are central to building resilient infrastructure.
- Projects expand access to clean and sustainable energy.

Photo by Alexey Marchenko on Unsplash.

The General Partner will adhere to the Sustainability Policy set out in CIFI's E&S Management System, including the following:

POLICIES	SUSTAINABILITY STANDARDS
■ ESG Policy	• Equator Principles (EP), version IV
■ Climate Change Policy	• International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability
■ Human Rights Statement	• World Bank/International Finance Corporation (IFC) Environmental, Health, and Safety (EHS) Guidelines
■ Gender Equality Policy	• United Nations Guiding Principles on Business and Human Rights
■ Grievance Mechanism and Complaints Procedure	• International Labour Organization (ILO) Fundamental Conventions
	• National laws and regulations affecting environmental, social, and labor matters
■ Exclusion List	• International Financial Reporting Standards (IFRS)

IMPACT METRICS

Measuring the positive impact of infrastructure projects is essential for demonstrating value creation, enhancing transparency, and aligning with sustainability goals. Well-defined and customized indicators help quantify benefits, track progress, and guide informed decision-making, ensuring projects deliver tangible social, environmental, and economic outcomes.

By fostering accountability and supporting stakeholder engagement, these metrics enable innovation, mitigate risks, and contribute to broader global objectives such as ESG compliance and the UN Sustainable Development Goals.

Impact within the renewable energy sector is assessed using the following key metrics:

- Installed capacity (MW)
- Energy generation (MWh)
- CO_2 emissions avoided (tCO_2e)
- Beneficiaries with access to clean energy

Impact within the logistics sector is evaluated through the following key indicators:

- Energy savings due to enhanced energy efficiency (%)
- Installed capacity from renewable sources (MW)
- CO_2 emissions avoided (tCO_2e)
- Energy cost savings (US$)
- Local workforce participation (%)
- Female employment (%)

GENERAL PARTNER EXCLUSION LIST

The partnership shall not provide any loans, either directly or through participation, or purchase of existing loans, to any project or company that is engaged in any of the following activities:

1. Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-out or bans, such as pharmaceuticals, pesticides/herbicides, ozone-depleting substances, polychlorinated biphenyls, wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
2. Production or trade in weapons and munitions. (1)
3. Production or trade in alcoholic beverages (excluding beer and wine). (1)
4. Production or trade in tobacco. (1)
5. Gambling, casinos, and equivalent enterprises. (1)
6. Production or trade in radioactive materials. (2)
7. Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
8. Drift net fishing in the marine environment using nets more than 2.5 km in length.
9. Production or activities involving harmful or exploitative forms of forced labor (3)/harmful child labor. (4)
10. Commercial logging operations for use in primary tropical moist forests.
11. Production or trade in wood or other forestry products other than from sustainably managed forests.
12. Such other projects as the Fund shall determine are inconsistent with its policies and objectives.

Photo by Karol Chomka on Unsplash.

1. This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations. For companies, "substantial" means more than 10% of their consolidated balance sheets or earnings. For financial institutions and investment funds, "substantial" means more than 10% of their underlying portfolio volumes.

2. This does not apply to the purchase of medical equipment, quality control (measurement) equipment, and any equipment where CIFI considers the radioactive source to be trivial and/or adequately shielded.

3. Forced labor means all work or service not voluntarily performed that is extracted from an individual under threat of force or penalty.

4. Harmful child labor means the employment of children that is economically exploitive or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

13 Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulation.

14 Destruction [5] of High Conservation Value areas. [6]

15 Pornography and/or prostitution.

16 Racist and/or anti-democratic media.

FOSSIL FUEL EXCLUSION LIST

1 Coal prospection, exploration, mining, or processing.

2 Oil exploration or production.

3 Stand-alone fossil gas exploration and/or production. [7]

4 Transport and related infrastructure primarily[8] using coal for power generation.

5 Crude oil pipelines.

6 Oil refineries.

7 Construction of new or refurbishment of any existing coal-fired power plant (including dual).

8 Construction of new or refurbishment of any existing heavy fuel oil (HFO)-only or diesel-only power plant [9]. Producing energy for the public grid and leading to an increase in absolute CO_2 emissions. [10]

9 Any business with planned expansion of captive coal and oil (excluding gas) used for power and/or heat generation. [11]

Photo by Tomfisk on Pexels.

5. Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

6. High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See http://www.hcvnetwork.org).

7. Gas extraction from limnic active lakes is excepted from this exclusion.

8. "Primarily" means more than 50% of the infrastructure's handled tonnage.

9. For indirect equity through investment funds, investments (up to a maximum of 20% of the fund) in new or existing HFO-only or diesel-only power plants are allowed in countries that face challenges in terms of access to energy and under the condition that there is not an economically and technically viable gas or renewable energy alternative.

10. Where energy efficiency measures do not compensate for any capacity or load factor increase.

11. This does not apply to coal used to initiate chemical reactions (e.g., metallurgical coal mixed with iron ore to produce iron and steel) or as an ingredient mixed with other materials, given the lack of feasible and commercially viable alternatives.

Investment Portfolio

As of December 2024, the SIDF portfolio included five outstanding sustainable infrastructure projects that are highlighted in this report: AXS, Origo, oEnergy, Monte Plata and Almacenes del Norte. Each project underwent a rigorous screening process aligned with the Fund's Policy Framework, ensuring adherence to ESG standards through an integrated Environmental and Social Management System (ESMS), the Equator Principles (EP), and the International Finance Corporation (IFC) Performance Standards.

The 2024 annual review summarizes the Environmental and Social (E&S) performance of the projects, the status of the E&S Action Plan, and the implementation of each project's Environmental and Social Management System (ESMS). This demonstrates the Fund's commitment to sustainability and achieving positive impacts for communities and the environment.

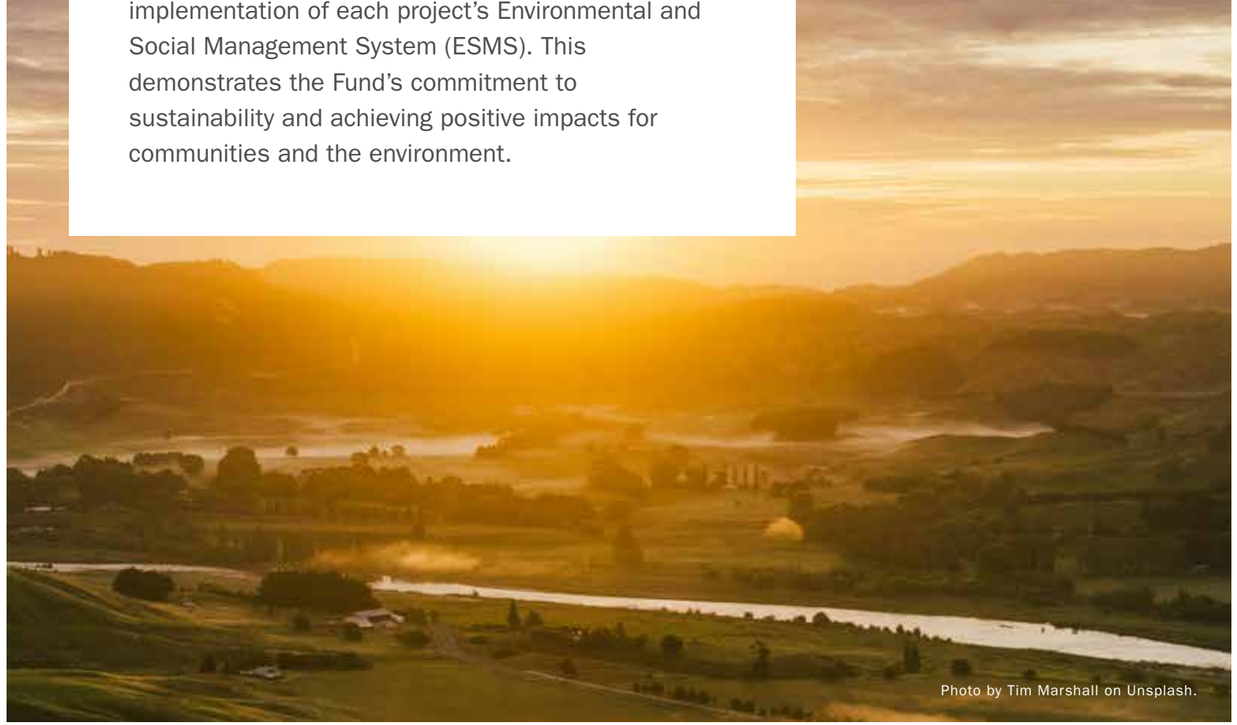
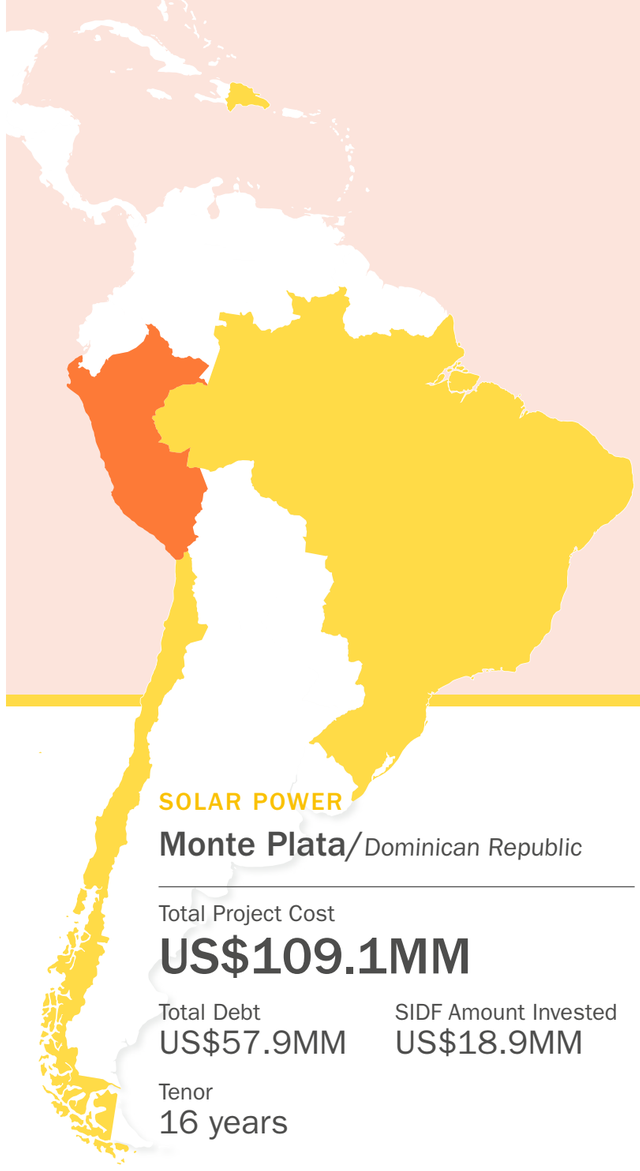


Photo by Tim Marshall on Unsplash.



Fund's Portfolio

TRANSPORTATION AND LOGISTICS

Almacenes del Norte/*Peru*

Total Project Cost
US$135MM

Total Debt
US$63MM

SIDF Amount Invested
US$18.9MM

Tenor
16 years

SOLAR POWER

Monte Plata/*Dominican Republic*

Total Project Cost
US$109.1MM

Total Debt
US$57.9MM

SIDF Amount Invested
US$18.9MM

Tenor
16 years

oEnergy/*Chile*

Total Project Cost
US$48.1MM

Total Debt
US$37.6MM

SIDF Amount Invested
US$17.3MM

Tenor
16 years

Origo/*Brazil*

Total Project Cost
US$27.6MM

Total Debt
US$19MM

SIDF Amount Invested
US$12.5MM

Tenor
12 years

AXS/*Brazil*

Total Project Cost
US$52.5MM

Total Debt
US$31.3MM

SIDF Amount Invested
US$17.6MM

Tenor
16 years

Investment Impact

	ALMACENES DEL NORTE / PERU	AXS* / BRAZIL	ORIGO / BRAZIL	OENERGY / CHILE	MONTE PLATA / DOMINICAN REPUBLIC
LOCAL WORKFORCE	38.3%	11%	7%	7%	67%
EMPLOYMENT	462	763 / 459	809 / 1,350	198 / 120	54 / 221
FEMALE EMPLOYMENT	20.8%	8% / 16%	45% / 44%	7% / 7%	4% / 6%
INSTALLED CAPACITY (MW)	30	11.5 / 19		15 / 36	30 / 60
MWh/YEAR PRODUCTION	7,938		17,084 / 32,200	18,349 / 43,817	45,629 / 62,844
tCO_2e/AVOIDED EMISSIONS	4,736	10,192 / 13,482		7,683 / 18,346	27,975 / 45,845
ACCESS TO ENERGY (PEOPLE)	3,030	6,521 / 12,290		4,729 / 11,958	28,244 / 38,900

LIGHT COLOR **FY2023**

DARKER COLOR **FY2024**

**AXS solar farms were under construction during 2023.*

E&S Risk Categorization

A HIGH

High potential of significant adverse E&S risks and/or impacts that are diverse, irreversible, or unprecedented.

B+ MODERATE HIGH

Limited potential adverse E&S impacts or risks that are site-specific and readily addressed through mitigation measures but have some specific features that can have significantly larger adverse E&S impacts.

B MODERATE

Limited potential adverse E&S risks and/or impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures.

C LOW

Minimal or no adverse E&S risks and/or impacts.

Photo by Nachelle Nocom on Pexels.

AXS

AXS Energia (AXS) was founded in 2021 to manage Grupo Roca's energy distributed generation (DG) operations in Brazil by developing, implementing, and operating one of Brazil's most innovative DG energy assets. Grupo Roca is a well-known leader in the energy sector with a solid track record of over 40 years as an EPC, developer, and investor in the renewable energy sector. It has extensive market expertise in infrastructure and highly specialized engineering solutions for solar, wind, and hydropower plants.

Country
Brazil

Location
Minas Gerais, Paraná, São Paulo, and Mato Grosso

Sector
Solar Power

Borrower
AXS LLC

Role
Mandated Lead Arranger

Investment Amount
US$31.1MM

US$17.6MM from SIDF, US$8.8MM from CIFI, US$5MM from Triodos

Total Project Cost
US$52.5MM

Financial Product
Project Finance

Financial Closure
January 2024

E&S Category
B

Use of Proceeds
Portfolio of 14 small distributed generation photovoltaic plants

To this date, AXS Energia has approximately 40 MW in solar farms operating under the distributed generation model and serves around 8,500 clients.

The SIDF participated with a US$17.6 million senior loan to AXS LLC (AXS) to finance the construction and operation of 14 distributed generation solar photovoltaic power plants, with a total potential installed capacity of 39.7 MW.

Sustainability Rationale

The business model for AXS seeks to transform the energy market by reducing customer costs and mitigating the social and environmental impact during construction and operations. This is achieved through the reduced need for transmission and distribution infrastructure and sourcing energy closer to clients. The photovoltaic plants that fall under national distributed generation regulations criteria are exempted from some distribution costs in the final clients' tariff, ensuring the highest recoverable value. As a result, AXS's final clients receive approximately a 10% discount on their energy bills. This strategic model efficiently contributes to Brazil's sustainable energy supply, reinforcement of distribution networks, energy transition, and decarbonization.

AXS contributions are aligned with Brazil's Nationally Determined Contributions, which aim to reduce greenhouse gas emissions by 37% by 2025, 50% by 2030, and achieve climate neutrality by 2050. The project contributes to Sustainable Development (SDG) Goal 7: Affordable and Clean Energy, SDG 8: Decent Work and Economic Growth, SDG 11: Sustainable Cities and Communities, and SDG 13: Climate Action.

The photovoltaic portfolio also contributes significantly to improving local employment and has made great efforts to implement more equitable hiring practices, including increasing the number of women in the workforce. This represents a significant step towards gender equality and inclusion in the workplace, aligning with SDG 5, which promotes gender equality and the empowerment of women.

Performance

In 2023, CIFI conducted an Environmental and Social Due Diligence (ESDD) to assess the performance of the portfolio. The portfolio is classified as a category B, medium risk. This assessment utilized external support from the consultant firm RINA. Main risks identified were related to waste management, labor conditions and health and safety.

The IFC Performance Standards (PS) triggered for the project are PS 1 Assessment and Management of Environmental and Social Risks and Impacts, PS 2 Labor and Working Conditions, PS 3 Resource Efficiency and Pollution Prevention, PS 4 Community Health, Safety, and Security, and PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources. Despite the non-applicability of PS 8 (Cultural Heritage), the company implemented a proactive chance-finding procedure for surveying archaeological heritage during the site selection and construction phases.

AXS's thorough due diligence process included Environmental and Social Action Plans (ESAP), detailing specific measures to optimize identified improvement opportunities and ensure adherence to environmental and social standards. The project has successfully executed the plans, implementing all outlined actions within the established timeline. During the construction phase, RINA is conducting the independent environmental and social monitoring of the project. The last monitoring visit was in September 2024.

As of December 2024, the following plants are in operation: UFV Claudia I, UFV Ituverava, UFV Leme, UFV Astorga I, UFV Monte Mor, UFV Taquaritinga, UFV Nova Esperança, UFV Centenario do Sul, UFV Artur Nogueira, and UFV Arapongas. The remaining three plants, UFV Angatuba, UFV Iturama II, and UFV Divinopolis, are under construction.

The project's E&S performance assessment is based on the results of the E&S monitoring conducted by the E&S Independent Consultant during 2024, and the Annual Monitoring Report prepared by AXS.

PERFORMANCE STANDARD 1

Assessment and Management of Environmental and Social Risks and Impacts

AXS has implemented significant improvements in its ESMS, strengthening health, safety, and sustainability guidelines, enhancing risk management, and reviewing responsibilities. Operational and environmental procedures have been thoroughly reviewed and updated, including impact control and quality monitoring. Stakeholder engagement has been reinforced with new communication channels, while supply chain governance has gained greater transparency and socio-environmental criteria. Regarding the ESG team, in 2024, two professionals were hired to strengthen the Sustainability and Occupational Health and Safety (OHS) area and ESG processes.

Disaster mitigation and preparedness are also a vital matter for AXS. In light of the fire crisis that was recorded in Brazil in 2024, the company assessed fire risks on sites, to identify opportunities for synergies to provide timely response and reduce material impacts to its assets. The new protocols established better communication and coordination networks with neighboring properties and implemented adaptation measures such as perimeter fire breaks, and increased frequency of weed and grass mowing within the plants. Such efforts are also reflected in the Stakeholder Engagement Plan, as well as regular information that is shared with community members.

PERFORMANCE STANDARD 2

Labor and Working Conditions

As a fundamental part of the ESMS, AXS has strengthened its Human Resources and OHS management policies and procedures oriented to respect human rights, labor rights, equal opportunities, non-discrimination, prevent harassment in all its forms, eliminate child and forced labor, recognize the right to unionize, incorporate grievance mechanism for workers and supply chain, and communicate contractor's management procedures, which are aligned with the requirements of Performance Standard 2.

In 2024, AXS achieved ISO 37001 certification, strengthening the reliability of its integrity channel and supplier due diligence processes. This milestone enhanced its compliance with human rights, social, and environmental requirements, reinforcing the company's commitment to ethical and sustainable practices.

As part of its efforts to mitigate and address workers' safety incidents and accidents during construction and operation activities, AXS updated its Occupational Health and Safety (OHS) procedures. Additionally, 51 inductions and 122 training sessions on environmental and OHS topics were conducted to ensure a comprehensive understanding among personnel.

PERFORMANCE STANDARD 3

Resource Efficiency and Pollution Prevention

Conserving natural resources and reducing contamination remain at the forefront of AXS's operations. The company has implemented guidelines for resource conservation and energy efficiency management of the portfolio, ensuring that its EPC contractors implement controls and report measures aligned with PS3 requirements.

In 2024, an average of 128.53 m^3 of water per plant was consumed during construction, utilized for civil works, equipment cleaning, and site preparation. Additionally, 22 cleanings were conducted, with an approximate water consumption of 12 m^3 per cleaning at plants with a capacity of 2.5 MW.

AXS has a structured Greenhouse Gas (GHG) Program based on nationally and internationally recognized methodologies, such as the GHG Protocol. The GHG inventory covers Scopes 1, 2, and 3. The calculation is based on primary data and specific emission factors, ensuring traceability and accuracy in emission quantification.

Additionally, the waste generated is segregated for recycling and final disposal of non-recyclable waste, in accordance with its waste management plans and best practices.

PERFORMANCE STANDARD 4

Community Health, Safety, and Security

AXS is committed to frequent and transparent communication with stakeholders to mitigate risks and ensure the well-being of all parties involved. The company has updated its Emergency Response Plans to include enhanced communication and coordination mechanisms with neighbors and local authorities surrounding the photovoltaic power plants.

These updates address risks associated with extreme weather events, such as heat waves (which can lead to forest fires) and extreme rainfall (which can cause flooding), among other potential hazards.

Additionally, AXS has hired a new security company and conducted inductions and training for security personnel on Occupational Health and Safety (OHS) standards, compliance protocols, whistleblowing procedures, and integrity channels. The company has also improved working conditions for security guards at the plants by upgrading local infrastructure.

Biodiversity Conservation and Sustainable Management of Living Natural Resources

Project sites within the AXS portfolio do not overlap with natural protected areas. The photovoltaic power plants are primarily located in modified habitats that were previously used for agricultural or commercial activities. AXS follows a structured land prospecting and contracting procedure to ensure that selected areas for photovoltaic power plants meet stringent environmental and operational criteria. Key environmental criteria include avoiding Environmentally Protected Areas such as Areas of Permanent Preservation (APP) and Legal Reserves (LR). Additionally, AXS avoids locations that overlap with conservation units or sensitive ecological zones, as well as plots with slopes greater than 16%, minimizing risks of erosion and construction challenges.

Impact

30
Installed capacity (MW)

7,938
MWh/year production

4,736
tCO_2e emissions avoided

3,030
People benefited with access to clean energy

Photo by Mi Pham on Unsplash.

In 2024, AXS made significant progress in expanding its renewable energy footprint and supporting local communities. The 10 connected AXS photovoltaic power plants had a total installed capacity of 30 MW and produced 7,938 MWh of clean energy, which resulted in the avoidance of 4,736 tCO_2e of greenhouse gas emissions and benefited 3,030 people.

The project greatly contributed to socio-economic development by generating 133 direct jobs, 44.3% of which are held by women. Additionally, the project created 326 indirect jobs through construction and security contractors, with 15 positions held by women and 311 by men.

Origo

Renowned as one of Brazil's largest developers of shared solar distributed generation, Origo exemplifies a solid operational model for clean energy investment with over a decade of experience. Ebes Sistemas de Energia S.A. demonstrates a strong commitment to implementing clean-energy projects with approximately six years in the distributed generation market and over 12 years total in Brazil's solar market. They currently operate more than 96 solar farms and have established roughly 80,000 retail customers in Minas Gerais, Pernambuco, Ceara, and São Paulo.

Country
Brazil

Location
Mato Grosso do Sul

Sector
Solar Power

Borrower
Ebes Sistemas de Energia S.A.

Role
Mandated Lead Arranger

Investment Amount
US$19MM

US$12.5MM from SIDF
US$6.5MM from CIFI

Total Project Cost
US$27.6MM

Financial Product
Corporate Loan

Financial Closure
October 2023

E&S Category
B

Use of Proceeds
Portfolio of 8 small distributed generation photovoltaic projects

Photo by Mariana Proenca on Unsplash.

Origo prioritizes sustainability and considers the impact on local communities and the environment along with the company's responsibility to address their respective needs. Due to their emphasis on E&S factors within their projects' designs, Origo has earned the respect and trust of an extensive client base, solidifying their high position in the clean energy market.

As the mandated lead arranger, CIFI structured a US$19 million senior loan through the SIDF to Ebes Sistemas de Energia S.A., financing the installation of eight small DG photovoltaic projects totaling 19 MW. The photovoltaic plants are located throughout five different municipalities within the state of Mato Grosso do Sul and are currently all operating successfully.

Sustainability Rationale

Origo's business practices demonstrate their enduring efforts to promote sustainability, aligning with the Fund's criteria. The project is already successful, with 5 fully operational solar plants. Origo's contributions greatly benefit the country's governance goals of reducing greenhouse gas emissions by 37% by 2025, 50% by 2030, and reaching climate neutrality by 2050. Origo directly contributes to the Sustainable Development Goal 5: Gender Equality, Goal 7: Affordable and Clean Energy, Goal 8: Decent Work and Economic Growth, Goal 11: Sustainable Cities and Communities, and Goal 13: Climate Action.

One of the most transformative outcomes of Origo's plants has been the increase in energy independence for the local region. By diversifying available energy, Origo directly contributes to community resiliency and less reliance on the electrical grid, improving the lives of underserved populations and providing a wealth of opportunities for business and agricultural development.

In 2024, Origo made remarkable strides at the corporate level in expanding its renewable energy footprint, yielding substantial benefits for both the community and the environment. The year concluded with the completion of 215 connected solar farms, marking a 75% increase compared to 2023 and generating significant advantages for stakeholders. The total installed capacity reached 468.42 MW, reflecting a 44% increase from the previous year, and 638 GWh of renewable energy was generated, a 37% increase compared to 2023.

Origo received prestigious recognition by earning an Experience Award as one of the top 10 companies in the energy sector, with a Net Promoter Score (NPS) above average for the second consecutive year. Additionally, 76 social institutions benefited from the Origo Social Program, further underscoring the company's commitment to promoting community development.

Performance

Photo by Naveen Naidu on Unsplash.

CIFI conducted a due diligence to evaluate the E&S performance of the portfolio, in accordance with the IFC Performance Standards, the Equator Principles, classifying the project as Category B.

In 2023, CIFI conducted a due diligence to evaluate the E&S performance of the portfolio, in accordance with the IFC Performance Standards, the Equator Principles, and applicable local regulations, classifying the project as Category B. This thorough assessment utilized external support from the consultant firm NINT (further acquired by ERM). Main risks identified were related to waste management, labor conditions and health and safety.

The applicable IFC Performance Standards are PS 1 Assessment and Management of Environmental and Social Risks and Impacts, PS 2 Labor and Working Conditions, PS 3: Resource Efficiency and Pollution Prevention, PS 4 Community Health, Safety, and Security, and PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Origo's due diligence process led to the development of an Environmental and Social Action Plan (ESAP), which outlined specific actions to maximize identified improvement opportunities and ensure compliance with environmental and social standards. The project successfully delivered on these plans, implementing all defined actions according to the established schedule. During construction, ERM conducted the independent environmental and social monitoring of the projects, with two monitoring visits conducted in March and November of 2024.

The project's E&S performance assessment is based on the results of the E&S monitoring conducted by the E&S Independent Consultant during 2024, and the Annual 2024 Monitoring Report prepared by Origo.

1 PERFORMANCE STANDARD

Assessment and Management of Environmental and Social Risks and Impacts

To ensure effective reporting for enhanced performance, Origo elevated its Environmental and Social Management System (ESMS) by incorporating a more comprehensive grievance mechanism. This improved ESMS was launched in August 2023, with its implementation continuing throughout 2024.

To further strengthen the internal ESG structure, the creation of a new role, ESG Specialist, occurred to support the successful implementation of the ESMS in the solar projects' sites. This initiative ensured that information about policies, programs, and procedures was effectively communicated and presented to professionals on the sites, including both Origo Energia employees and external service providers. This action directly resulted in improvements in operational processes and catalyzed improved quality in controls, information, and efficiency. The first site visits took place in October 2024 and are set to continue throughout 2025.

To ensure adherence to national policies and regulations, Origo underwent a permitting process, including acquiring environmental permits from the necessary local authorities for the operation of each of the eight projects, and conducted monitoring through a legal matrix. No official visits or complaints from the community were received during the reported period.

2 PERFORMANCE STANDARD

Labor and Working Conditions

In 2024, the company made significant social improvements by entering a partnership with a specialized consultancy to expand the hiring of people with disabilities and adopting affirmative vacancies for this audience. As a result, the number of people with disabilities employed by Origo increased from 12 in 2023 to 19 in 2024, representing a 58% increase. Additionally, the company implemented a new benefit, reducing the health plan co-payment for people with disabilities from 20% to 10%.

In other efforts to consider the needs of employees, Origo continued participating in the Brazilian Federal Government Program "Citizen Company", extending maternity leave from 120 days to 160 days and paternity leave from 5 to 20 days, an action that prioritizes the well-being of the company's employees and their families.

Ensuring opportunities for employees to achieve higher education is also a priority for Origo. The company maintained partnerships with different institutions to offer discounts to employees and their dependents on undergraduate courses in various subjects, along with specialized courses in English and technology.

In pursuit of a more equitable and just workplace, the company structured a Strategic Diversity Plan led by the ESG area, with the participation of members of the Affinity Work Group in its preparation. As the work progressed, they proposed a new governance format for the Diversity, Equity, and Inclusion Program, and defined 10 goals and 24 KPIs for each diversity segment, along with actions. Origo's senior leadership proudly approved the plan, and its implementation is scheduled for 2025.

Developing competencies among collaborators is also a priority for Origo. In 2024, 919 employees received multiple trainings focused on the ESMS, human resources, leadership, and creating a positive organizational culture. Multiple training sessions were conducted by Instituto Ethos.

Origo has an internal grievance mechanism that serves all employees, including indirect ones. Grievances received during 2024 were managed and resolved timely and according to the procedure. No labor audits or visits were received, nor were any lost time incidents reported.

3 PERFORMANCE STANDARD

Resource Efficiency and Pollution Prevention

In 2024, the company developed a comprehensive protocol to quantify its greenhouse gas (GHG) emissions, adhering to The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (Revised Edition, World Resources Institute/World Business Council for Sustainable Development, 2004); Guidelines for National Greenhouse Gas Inventories (Intergovernmental Panel on Climate Change, 2006); Guide for Preparing Corporate Greenhouse Gas Emissions Inventories for the Brazilian GHG Protocol Program (Brazilian GHG Protocol Program, Fundação Getulio Vargas, 2009); and the Brazilian National Standard NBR ISO 14064:2022.

Regarding solid waste management, during the construction phase of its projects, Origo prioritized the optimization of solid waste management by implementing rigorous protocols for the segregation of recyclable materials.

PERFORMANCE STANDARD 4

Community Health, Safety, and Security

Ensuring the safety and well-being of all interested parties remains a top priority for Origo. In 2024, the company updated its stakeholder management plan for all projects, emphasizing engagement with the community as a crucial element. An analysis of communication preferences was conducted, leading Origo to update its protocols, organize groups, and create distribution lists to facilitate dialogue. Visual aids were also developed to enhance messaging.

Community members expressed interest in understanding how the project would impact local electricity supply, particularly energy bills. Origo responded by clearly outlining the positive impacts, emphasizing the company's commitment to cost reduction and supply improvements.

The community's response has been reassuringly positive. Stakeholders anticipated that the project would contribute to socio-economic development by generating jobs and income for communities, thus boosting the local economy. Additionally, there was recognition of the importance of solar energy as a clean and sustainable source.

PERFORMANCE STANDARD 6

Biodiversity Conservation and Sustainable Management of Living Natural Resources

Origo has utilized strategic collaboration agreements to further launch its efforts in conserving natural resources. In December 2023, it solidified a significant partnership with the platform Consorcio Cerrado das Aguas (CCA) to implement the Revegetation Plan, successfully planting 500 seedlings in the Brazilian Cerrado biome in January 2024. Further building on this success, Origo is expanding the initiative in 2025 by planting an additional 200 seedlings in the Caatinga biome, in collaboration with SamaUma, a dedicated reforestation NGO. The Voluntary Revegetation Plan is a remarkable cornerstone of Origo's environmental management strategy, showcasing the company's unwavering commitment to additional forest compensation.

Impact

19
Installed capacity (MW)

32,200
MWh/year production

13,482
tCO_2e emissions avoided

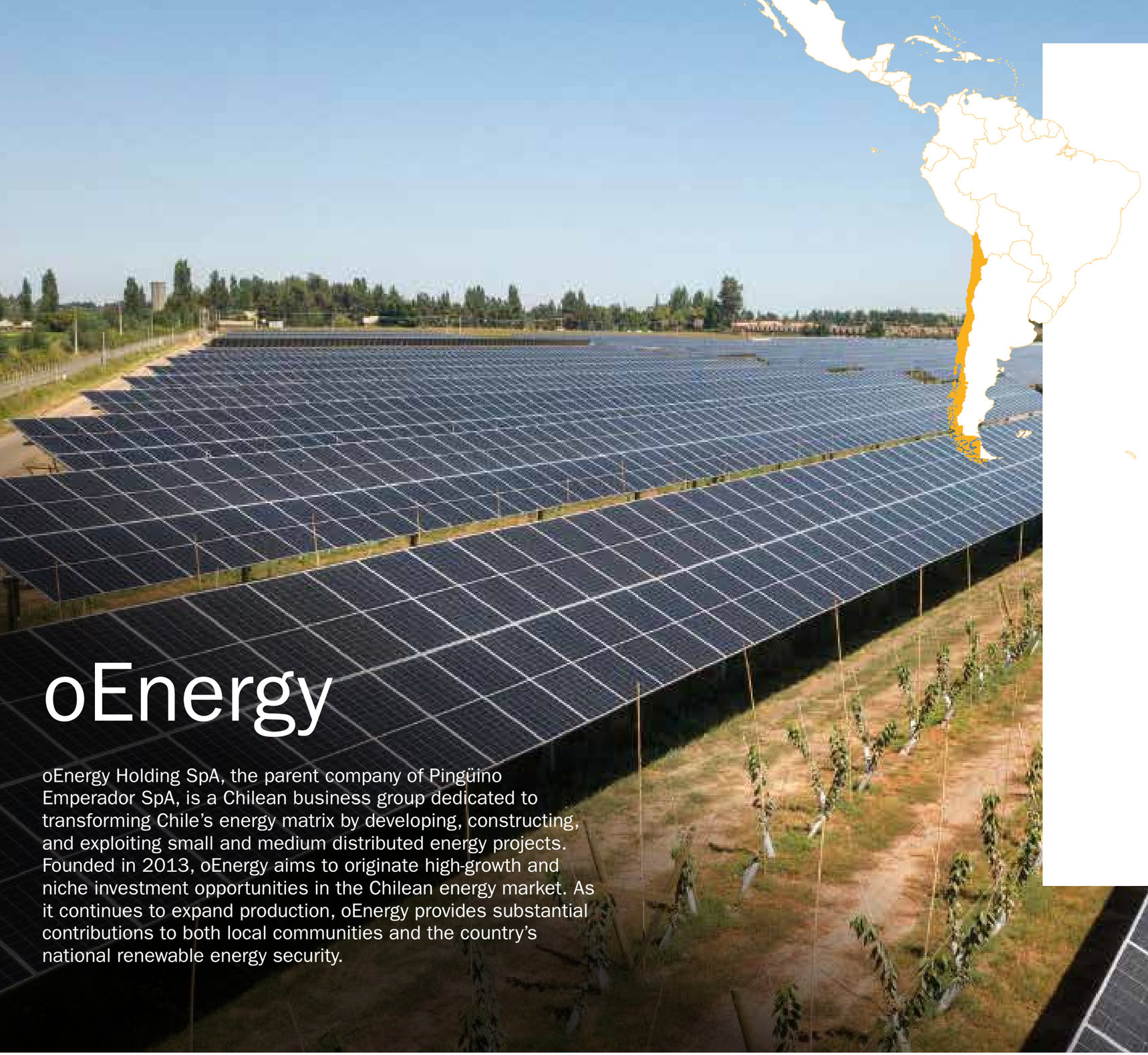
12,290
People benefited with access to clean energy

1,350
Workers

44.3%
Female employment

Origo continues to achieve outstanding milestones that distinguish the company as a leader in clean energy development. It has reached an installed capacity of 19 MW through the installation of five photovoltaic power plants, producing 32,200 MWh/year. This has resulted in the avoidance of 13,482 tCO_2e emissions and benefited 12,290 people by providing access to clean energy, thereby supporting energy resiliency for local communities and directly improving livelihoods and well-being through economic benefits.

The company employs 1,350 workers, significantly enhancing the job market in local communities. Employment of women is especially notable, with 598 women representing 44.3% of Origo's workforce.



oEnergy

oEnergy Holding SpA, the parent company of Pingüino Emperador SpA, is a Chilean business group dedicated to transforming Chile's energy matrix by developing, constructing, and exploiting small and medium distributed energy projects. Founded in 2013, oEnergy aims to originate high-growth and niche investment opportunities in the Chilean energy market. As it continues to expand production, oEnergy provides substantial contributions to both local communities and the country's national renewable energy security.

Country
Chile

Location
Maule, Ñuble, Valparaiso, O'Higgins, and Atacama Regions

Sector
Solar Power

Borrower
Pingüino Emperador SpA

Role
Mandated Lead Arranger

Investment Amount
US$37.6MM

US$17.3MM from SIDF
US$16.3MM from CIFI
US$4MM from Triodos

Total Project Cost
US$48.1MM

Financial Product
Project Finance

Financial Closure
June 2022

E&S Category
B

Use of Proceeds
Portfolio of 24 small and medium distributed generation photovoltaic plants

As the mandated lead arranger CIFI structured a US$37.6MM senior loan in favor of oEnergy Holding SpA, for financing a portfolio of photovoltaic plants under the scheme of Small-scale Distributed Generation Means (by its acronym in Spanish, PMGD), with a potential installed capacity of 72 MW, providing tremendous opportunity for Chile's clean energy market.

Sustainability Rationale

In Chile, the PMGD is a crucial player in transforming energy production while driving the expansion of renewable energy sources and contributing to diversifying the local economy. Additionally, by decentralizing access to clean energy generated on a smaller scale, without extensive transmission lines and with limited socio-environmental impacts, more communities can benefit from solar projects as their availability increases.

Furthermore, the long-term lease of land both through project development and operations also provides landowners with an additional source of income. Finally, solar projects promote tremendous potential for job creation, both during construction and throughout subsequent stages of operations.

The project's strategic design additionally contributes to Chile's exceptional efforts in working towards Sustainable Development Goal 5: Gender Equality, Goal 7: Affordable and Clean Energy, Goal 8: Decent Work and Economic Growth, Goal 11: Sustainable Cities and Communities, and Goal 13: Climate Action.

Performance

Between 2021 and 2023, CIFI conducted due diligence to evaluate the environmental and social (E&S) performance of the portfolio in accordance with the IFC Performance Standards, the Equator Principles, and applicable local regulations, classifying the project as Category B. This thorough assessment utilized external support from a consultant firm. The main risks identified were related to waste management, labor conditions, and health and safety.

The applicable IFC Performance Standards are PS 1 (Assessment and Management of Environmental and Social Risks and Impacts), PS 2 (Labor and Working Conditions), PS 3 (Resource Efficiency and Pollution Prevention), PS 4 (Community Health, Safety, and Security), PS 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources), and PS 7 (Indigenous Peoples).

oEnergy's due diligence process led to the development of Environmental and Social Action Plans (ESAP), with specific actions to maximize identified improvement opportunities and ensure compliance with environmental and social standards. The project successfully delivered on these plans, implementing all defined actions according to the established schedule. In 2024, the independent consultant firm conducted (E&S) monitoring of the projects, with reviews of 12 photovoltaic plants in April, May, July, August, November, and December.

The project's E&S performance assessment is based on the results of the E&S monitoring conducted by the independent consultant during 2024 and the Annual 2024 Monitoring Report prepared by oEnergy.

At the end of 2024, oEnergy reported 12 photovoltaic plants in operation with a total installed capacity of 36 MW, distributed across the following locations: Los Jotes, Las Bandurrias, El Pichon, Pelicano, El Turpial, Loicas, San Isidro, and Jaururo, each with a capacity of 3 MW. Additionally, Tiuque (1.81 MW), Albatros (1.25 MW), Jilguero (1.65 MW), Canelillo (9 MW), and the Ñandu project (3 MW) were under construction at the time of this report.

At the end of 2024, oEnergy reported 12 photovoltaic plants in operation.

PERFORMANCE STANDARD 1

Assessment and Management of Environmental and Social Risks and Impacts

Addressing E&S needs is a priority element for oEnergy, in addition to complying with all appropriate environmental policies and processes. The company has implemented a corporate ESMS that includes environmental, occupational health and safety, human resources, and biodiversity policies, an organizational chart, programs, and specific procedures following local regulations and aligned with IFC Performance Standard 1 for the life cycle of the portfolio. In addition, the photovoltaic plants have respective Pertinence Letters, and in the case of Canelillo (9MW), it obtained an Environmental Qualification Resolution. Furthermore, all photovoltaic plants have sectoral environmental permits applicable to the construction and operation stages. Furthermore, oEnergy was recertified in ISO 14001, ISO 45001, and ISO 9001.

In 2024, activities were carefully designed to focus on the operation and maintenance of the photovoltaic plants that have remote monitoring systems. E&S risks are thoroughly managed through ESMS procedures for the operational stage. Beyond these measures, each photovoltaic plant maintains inboxes for receiving concerns and complaints with e-mail addresses and phone numbers, and the oEnergy team maintains communication with neighbors within the framework of the Emergency Response Plan (ERP).

Regarding Ñandu, the project started construction in the third quarter of 2024 and began operations in January 2025. oEnergy implemented the procedures of the ESMS construction stage, including the environmental controls, application of the chance-finding procedure, and maintaining proactive communication and coordination with the project's neighbors as part of its Social Engagement Plan (SEP) and grievance mechanism. No external grievances, worker complaints, sanctions, fines, or fatal accidents were reported in 2024, demonstrating oEnergy's practical efforts in mitigating risk and promoting positive interactions with communities.

PERFORMANCE STANDARD 2

Labor and Working Conditions

As part of their robust ESMS, oEnergy implemented Human Resources and occupational health and safety management policies and procedures oriented to promote respect for human rights, labor rights, equal opportunities and non-discrimination, harassment prevention in all its forms, and elimination of child and forced labor. Additionally, the policies recognize the right to unionize and include a grievance mechanism for workers, as well as supply chain and contractor management procedures, all aligned with the requirements of Performance Standard 2.

The project also contributed to job creation through the different project phases. As of December 2024, oEnergy reported 61 O&M direct workers, of which 8 are women (13%), and 35 contractor workers, of which 3 are women. The contractor workers have received training in environmental and occupational health and safety topics. Such efforts have already yielded success, evidenced by the fact that there have not been worker complaints, workplace incidents, or accidents reported in 2024.

PERFORMANCE STANDARD 3

Resource Efficiency and Pollution Prevention

oEnergy has established comprehensive procedures for operation and maintenance, water use, waste management, and emissions management across both construction and operational phases. These procedures are designed to mitigate potential waste and contamination effectively. Regarding water use, the procedure encompasses water supply sources, water use rights, and the estimated frequency for cleaning the modules. In terms of waste management, a hazardous solid waste warehouse and management system for final disposal have been implemented in compliance with legal requirements.

oEnergy is committed to addressing climate change through GHG emission reduction. The company has developed an Emissions Management Procedure and calculated GHG emissions generated and avoided during the construction and operational phases of each project. During the 2024 E&S monitoring, it was observed that mobile photovoltaic solar systems were effectively utilized during construction to power offices and field works.

4 PERFORMANCE STANDARD

Community Health, Safety, and Security

Monitoring factors that impact community health, safety, and security were considered during the project design. In the operations stage, the photovoltaic plants are remotely monitored by a security contractor and incidents are reported to oEnergy within 24 hours. During 2024, no environmental or social incidents were reported.

To further promote public safety, the project implements measures to both prevent and respond to potential threats. The security personnel of the photovoltaic plants under construction do not use arms and are trained in the application of the procedure of the grievance mechanism along with occupational health and safety risk prevention. Regarding Emergency Response Plans, oEnergy maintains communication and coordination with the neighbors to address any risk associated with extreme weather, such as heat waves (forest fires) and extreme rainfall (flooding), among other risks.

6 PERFORMANCE STANDARD

Biodiversity Conservation and Sustainable Management of Living Natural Resources

Protecting local ecosystems is a fundamental aspect of oEnergy's operations. As part of the Environmental and Social Management System, the company has developed a Corporate Biodiversity Management Plan. This plan includes procedures for identifying risks and impacts on biodiversity and ecosystem services, conducting baseline analyses, and executing removal, rescue, and relocation activities. It also provides guidelines for identifying project areas, implementing preventive measures such as signage, waste management, and training, and installing visual deterrents and anti-electrocution systems on transmission lines.

Among the 12 photovoltaic plants, only the Canelillo plant, with an installed capacity of 9 MW, required and obtained an Environmental Impact Statement (EIS). This statement includes commitments to semi-monthly wildlife monitoring, which must be reported on the online platform of the National Environmental Control Information System (SNIFA).

7 PERFORMANCE STANDARD

Indigenous Peoples

Ensuring minimal impact on local indigenous communities is of the utmost importance to the project. Among the 12 photovoltaic plants, only the Canelillo plant reports the presence of a Mapuche community located 2 km away. oEnergy is proud to report that no risks or impacts from the project's activities on the Mapuche community were identified. Preventive measures were implemented to reduce any visual impact, and transparent and cordial communication with the neighbors was maintained.

Impact

36
Installed capacity (MW)

43,817
MWh/year production

18,346
tCO_2e emissions avoided

11,958
People benefited with access to clean energy

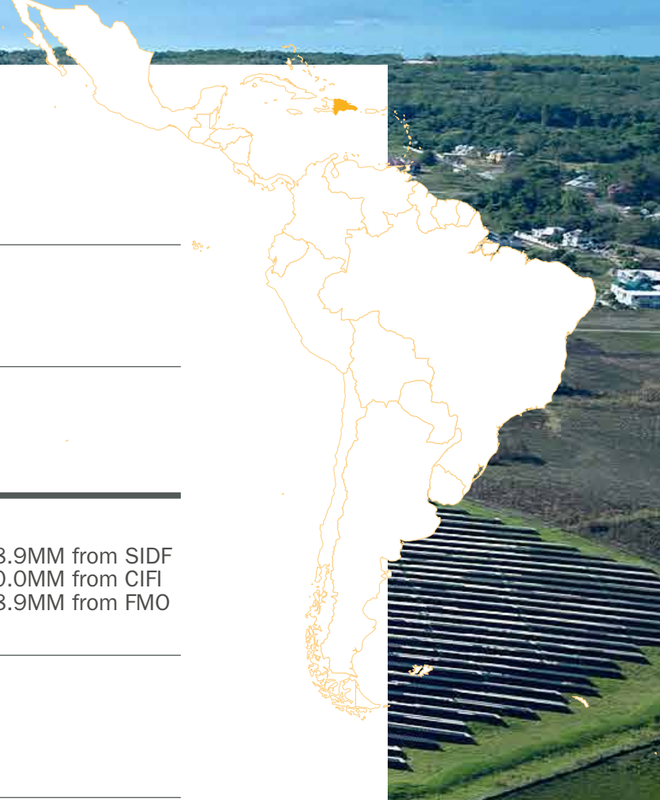
120
Jobs

The end of the year brought notable advancements from oEnergy's efforts. In 2024, the total energy generated by the project's 12 operating photovoltaic plants was 43,817 MWh, representing 18,346 tCO_2e emissions avoided and benefiting 11,958 people with clean energy. The total installed capacity of the plants was 36 MW.

In addition to clean energy generation, social impacts from the project were also evident in this reporting period. In terms of employment, the project resulted in 120 jobs, 6.7% of which are held by women. This impact is sure to have positive outcomes for the local economies where the plants are located, contributing to resilient and empowered communities.

Monte Plata

Monte Plata is transforming the energy sector of the Dominican Republic by providing renewable energy solutions. The project owners are Monte Plata Solar Holdings S.L. (“MPSH”) and CCEF Ansa Renewable Energies Holdings Ltd. (“CARE”), a group focused on developing innovative solar and wind energy projects. They currently have more than 280 MW under construction and development, and over 600 MW in pipeline.



Country
Dominican Republic

Location
Monte Plata Province

Borrower
Electronic J.R.C., S.R.L.

Sector
Solar Power

Role
Co-Lender

Investment Amount
US$57.9MM

US$18.9MM from SIDF
US$10.0MM from CIFI
US$28.9MM from FMO

Total Project Cost
US$109.1MM

Financial Product
Project Finance

Financial Closure
January 2024

E&S Category
B

Use of Proceeds
Construction and operation of a 60 MWac solar power project

The main shareholders of MPSH and CARE are companies with an incredible wealth of experience in the industry, with more than 30 years in retail, real estate, and commercial enterprises, and investment in renewable energy projects, energy efficiency, and the use of alternative fuels within the Dominican Republic market. The company Electronic J.R.C. was created to develop, construct, finance, and operate the Monte Plata solar project and is organized and exist under the laws of the Dominican Republic.

Partnering with The Netherlands Development Finance Company (FMO), the SIDF participated as a co-lender in a senior secured long-term loan of US$57.9 million for Electronic JRC. This loan financed the construction and operation of a 60 MW solar power project, divided into two phases of 30 MWac nominal capacity each, located in Monte Plata Province, Dominican Republic. Phase I has been fully operational since 2016, with a peak capacity of 33.39 MW, while Phase II, with a peak capacity of 42.29 MW, commenced operations in October 2024.

Sustainability Rationale

Monte Plata has made significant strides in advancing sustainable environmental, economic, and social solutions. The Dominican Republic currently relies heavily on imported fossil fuels for electricity generation. Transitioning to solar power enhances energy security, reduces dependence on fossil fuels, lowers GHG emissions, and makes the country more resilient to energy price fluctuations and geopolitical risks. The most measurable impacts of Monte Plata include the avoidance of GHG emissions. The project is aligned with the Dominican Republic's updated Nationally Determined Contributions (NDCs), which commit to a 27% reduction in emissions by 2030 compared to the business-as-usual scenario, highlighting Monte Plata's responsibility towards global development efforts and climate action in alignment with the Paris Agreement.

Monte Plata provides a powerful economic stimulus to the local economy, boosting the solar industry, leading to the development of a skilled workforce, and fostering technological innovation. The project employed more than 200 workers during construction, including 147 from local communities.

Monte Plata directly contributes to the Sustainable Development Goal 7: Affordable and Clean Energy, Goal 8: Decent Work and Economic Growth, Goal 11: Sustainable Cities and Communities, and Goal 13: Climate Action.

Performance

In 2022, FMO conducted an Environmental and Social Due Diligence (ESDD) with the support of Mott MacDonald. CIFI had access to the ESDD report and supporting documentation, complemented by a site visit by CIFI's ESG officer in October 2023. According to both CIFI and the independent E&S consulting firm, Monte Plata is categorized as a Category B project (medium risk), although FMO categorized the project as B+ according to its criteria.

The project is being independently supervised by Mott MacDonald, confirming solid progress towards the completion of all E&S actions.

The assessment identified the following IFC Performance Standards as applicable: PS1 (Assessment and Management of Environmental and Social Risks and Impacts), PS2 (Labor and Working Conditions), PS3 (Resource Efficiency and Pollution Prevention), PS4 (Community Health, Safety, and Security), PS5 (Land Acquisition and Involuntary Resettlement), and PS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources). PS8 (Cultural Heritage) was not triggered, as the archaeological survey had no significant findings. Nevertheless, an archaeological heritage procedure and management plan have been developed as a precaution.

The primary environmental and social risks identified during due diligence were noise and dust emissions, general occupational health and safety, solid waste management, biodiversity impacts from ground clearing, heavy equipment transport, and increased traffic impact on communities, all of which Monte Plata has worked diligently to mitigate.

In a conscientious effort to address identified risks, an Environmental and Social Management System (ESMS) has been developed and implemented for both Phases I and II, fully aligned with E&S standards, along with an Environmental and Social Action Plan (ESAP) defined during due diligence. The project is being independently supervised by Mott MacDonald, confirming solid progress towards the completion of all E&S actions. During the reporting period, sufficient evidence was provided to close six items of the ESAP. Consequently, a total of 24 ESAP items have been closed. Three actions remain in progress to be closed in 2025 related to climate change risk assessment, workers' grievance mechanism, and protection and conservation of biodiversity.

The project's E&S performance assessment is based on the results of the E&S monitoring conducted by the Independent Consultant during 2024, and the Annual Monitoring Report prepared by Monte Plata.

Photo by Maria Fernanda Gonzalez on Unsplash

PERFORMANCE STANDARD 1

Assessment and Management of Environmental and Social Risks and Impacts

To ensure adherence to sustainability standards, Monte Plata obtained the necessary Environmental and Social permits for transitioning phase II of the project to the operational phase and has continued applying necessary legal processes as appropriate. This includes a request for modification of the Environmental License in March 2024 to incorporate a change in the legal representative, a formality that does not affect the project's design, capacity, or schedule. Additional information on the project's final configuration, fire system maintenance, and periodic pest controls was requested for this matter. No major concerns are foreseen with the Environmental License modification process, but ongoing follow-up and maintaining an updated permit matrix were recommended.

Monte Plata proactively updated its Environmental and Social (E&S) policy and conducted a comprehensive risk and impact assessment for the operational phase to enhance its Operational Environmental and Social Management System (OESMS). This included providing emergency plan documentation, an updated stakeholder engagement plan, and monitoring and reporting requirements. The final OESMS manual is expected to be completed by the first quarter of 2025.

To address the project's impact on climate change, the Climate Change Risk Assessment (CCRA) was updated in 2024 to a more robust version to align with the Equator Principles standards. The final version is expected to be completed by the first half of 2025 to guide the project's vision for addressing climate change, with thoughtful consideration given to the operations of the project.

PERFORMANCE STANDARD 2

Labor and Working Conditions

The Environmental, Health, Safety, and Social (EHSS) organizational capacity during the operation phase includes an ESG coordinator, an ESG manager, and an E&S analyst from the project sponsor (MPC). Soventix Caribbean, the O&M contractor, will implement the OESMP programs on-site, assisted by an EHSS specialist. An internal E&S consultant will supervise the OESMP implementation, visiting the project every two months and preparing internal reports on the project's EHSS performance, including biannual environmental compliance reports for the authority.

During the reporting period, the project's workforce consisted of 221 workers, 163 of whom were involved in the construction of phase II. An internal labor audit conducted during the demobilization process and construction closure yielded positive results with no corrective actions identified. The project team will continue reporting labor statistics and monitoring working conditions during the operational phase, ensuring worker contracts align with E&S standards and national legislation to ensure the well-being of all collaborators.

A workers' grievance mechanism (WGM) log indicated that five grievances were raised and adequately resolved during the construction phase, with no grievances raised during the operational period. The WGM has been updated to align with the operational phase and will be presented with the updated OESMP. Regarding occupational health and safety (OHS), statistics showed no first aid injuries or near misses, demonstrating commendable efforts in HSE best practices.

Considerations for labor conditions throughout the supply chain are also of great importance when applying this PS. The solar panels for this project were sourced from LONGi, the global leader of module manufacturing. Assessments conducted by academic institutions indicate that LONGi's facilities are not located in areas where human rights violations have been exposed, and the company has implemented a corporate compliance management system to safeguard human rights.

PERFORMANCE STANDARD 3

Resource Efficiency and Pollution Prevention

Promoting resource efficiency while reducing contamination is a top priority for Monte Plata. Specific resource efficiency plans will be included in the project's OESMP. To proactively address the necessary use of water for panel cleaning, a water efficiency management plan is expected, and an energy efficiency management plan has been recommended as a best practice.

The company updated its comprehensive waste management program (WMP), detailing provisions for both construction and operations phases, ensuring thorough alignment with E&S standards. A final solar panel disposal plan with procedures for handling PV modules has been developed and will be presented during the first quarter of 2025.

Given the potential use of hazardous materials in the operational phase, the company plans to incorporate a Hazardous Materials Management Plan for the next reporting period and provide evidence of proper storage aligned with IFC PS3 and WBG EHS guidelines. Vegetation control is performed using mowers without pesticides.

PERFORMANCE STANDARD 4

Community Health, Safety, and Security

Enhancing the safety of the community is a critical aspect of Monte Plata's management. The facility's main gate is guarded by unarmed security personnel 24/7, and the facility maintains a perimeter fence. The security team remains consistent with 11 guards on site, and there have been no changes in their working shifts. Training sessions covering emotional intelligence and the appropriate use of force were provided to the security guards, aligning with the project's training plan. Additionally, specific training on appropriate behavior and human rights was also provided to the security guards.

Ensuring proper personnel training is also a priority, along with maintaining communication with the local community through appropriate means. The project's disclosure strategy on security procedures to the community was implemented. It includes periodic community meetings and the distribution of informative flyers.

To continuously improve the project's Stakeholder Engagement Plan, Monte Plata now tracks Key Performance Indicators (KPIs) and reinforces aspects such as the frequency of community meetings, details on internal training, and grievance tracking indicators.

Additionally, a community grievance mechanism (CGM) is in place, ensuring that concerns of the local population are addressed promptly and effectively. The CGM log showed no grievances raised during the reporting period, indicating that effective communication and resolution processes are being implemented.

PERFORMANCE STANDARD 5

Land Acquisition and Involuntary Resettlement

The project did not have recourse to expropriation of land, and evidence of lease agreements is available. No resettlement of residents was required, but some neighbors' activities will be mildly impacted by project activities. Monte Plata completed a Community Investment Plan which includes the renovation of the Ana Santana Community Center, the donation of sixty chairs for the community center, and the donation of streetlights for the community.

The company is also requesting dental and ophthalmological visits from relevant authorities to provide on-site healthcare services, as well as connecting community members with government-led training courses along with assisting the Ana Santana community in submitting requests for construction material donations to the government. These strategies are seen as maximizing the positive impacts of the project and building stakeholder confidence.

PERFORMANCE STANDARD 6

Biodiversity Conservation and Sustainable Management of Living Natural Resources

Protecting biodiversity is a fundamental pillar of Monte Plata's business practices. The project developed a No Net Loss (NNL) Plan with KPIs aimed at achieving NNL for vegetation cover, transplanted palm monitoring, and water quality in the ravine. This plan includes a monitoring strategy for endemic fauna species that will be updated during the first half of 2025 with support from an expert consultant to align with various aspects of IFC PS6, including comprehensive identification of biodiversity features, monitoring methodology, and duration for flora and fauna surveys, and an adaptive management plan to ensure the NNL goals are met.

Impact

60
Installed capacity (MW)

62,844
MWh/year production

45,845
tCO_2e emissions avoided

38,900
People benefited with access to clean energy

221
Jobs

Monte Plata has demonstrated significant progress in achieving its project goals, with positive trends expected to continue. With an installed capacity of 60 MW, 62,844 MWh were produced in 2024, avoiding 45,845 tCO_2e, and benefiting 38,900 people through access to clean energy. Additionally, the project has led to increased employment opportunities, with 58 workers contracted in Phase I and another 163 workers contracted in Phase II, 147 of whom were from local communities.

Photo by Cristian Rojas on Pexels.

Almacenes del Norte

Almacenes del Norte Parque Logistico Callao (ADN) is the first sustainable logistics park in Peru, located in the Ventanilla district, one of the most important logistics corridors in the country.

ADN, a real estate company, aims to revolutionize Peru's logistics sector through the strategic design and prime location of its logistics park, situated near Lima's main port and international airport. This positioning enables ADN to effectively engage and influence both local and regional markets. The project's design adheres to the highest international sustainability standards, offering competitive and innovative storage solutions that prioritize efficiency and excellence.

Country
Peru

Location
Ventanilla district, Callao Province, Lima

Sector
Transportation and Logistics

Borrower
Proyecto Ventanilla S.A.C.

Role
Co-Lender

SIDF Investment Amount
US$63MM

US$18.9MM from SIDF
US$11.1MM from CIFI
US$33MM from IDB

Total Project Cost
US$135MM

Financial Product
Senior and Subordinated Loan

Financial Closure
May 2024

E&S Category
B

Use of Proceeds
Construction and operation of phase I of a greenfield logistic warehouse facility

Photo ADN website.

Photo ADN website.

The business model of ADN focuses on the development and operations of industrial and logistics parks located along the Pacific coast of South America, connecting the important hubs throughout the region with impactful designs that utilize state-of-the-art trends in logistics architecture. The SIDF's participation in the project aims to benefit the local environment through such strategic resource-efficient design while fostering sustainable economic growth for communities.

The SIDF participated as a co-lender in a US$63 million senior loan structured by the IDB Invest, for the construction and operation of the phase 1 of the project, which will include one large warehouse containing four rental spaces, three medium-sized warehouses containing 96 rental spaces, and the construction of the facility's infrastructure.

Photo ADN website.

Sustainability Rationale

In the relentless pursuit of high operational performance, logistics centers can spearhead initiatives that yield significant environmental improvements over the medium to long term, while ensuring robust economic returns on investment. ADN's business strategy for the logistics park is meticulously crafted to integrate sustainability considerations that align seamlessly with the Fund's stringent criteria.

ADN is unwavering in its commitment to pioneering initiatives that enhance environmental outcomes through cutting-edge technology, unparalleled energy efficiency, and groundbreaking innovation, all aimed at minimizing the project's environmental footprint. Moreover, in adherence to global sustainability benchmarks, ADN expects to achieve BREEAM Certification, the preeminent environmental assessment standard for buildings and infrastructure, while rigorously complying with national regulations on infrastructure design and engineering.

ADN's social engagement strategy is designed to harmonize environmental actions with the project's operations and the intricate demands of stakeholders, identified through comprehensive consultation mechanisms. ADN has meticulously developed a strategy to empower neighboring communities by creating employment opportunities, emphasizing technical training and capacity building, with a dedicated focus on achieving at least 20% female participation.

Upon reaching full operational capacity, ADN will generate approximately 2,000 jobs, with at least 40% from the surrounding communities. These initiatives, including social agreements such as the Capacity-building Agreement with the Regional Conservation Area "Wetlands of Ventanilla," aimed at preserving the vegetation units associated with wetlands, deliver social benefits to local communities and authorities while enhancing the logistics center's reputation and stakeholder relations.

In terms of energy efficiency, ADN is implementing state-of-the-art LED lighting across all facilities and harnessing solar energy to power operations, significantly reducing their carbon footprint without compromising productivity. These facilities will enable water reuse for green area irrigation and sanitary purposes, strategically considering Peru's arid climate and limited water availability while applying cutting-edge engineering to allow for water reuse.

The project's strategic design contributes to Sustainable Development Goal 5: Gender Equality, and it also supports Goal 7: Affordable and Clean Energy, Goal 8: Decent Work and Economic Growth, Goal 11: Sustainable Cities and Communities, and Goal 13: Climate Action.

Performance

In 2024, IDB Invest conducted an Environmental and Social Due Diligence (ESDD). CIFI had access to the ESDD report and supporting documentation, complemented by a site visit from CIFI's ESG officer. The project is classified as Category B (medium risk).

The applicable IFC Performance Standards are PS 1: Assessment and Management of Environmental and Social Risks and Impacts, PS 2: Labor and Working Conditions, PS 3: Resource Efficiency and Pollution Prevention, PS 4: Community Health, Safety, and Security, PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources, and PS 8: Cultural Heritage.

An Environmental and Social Action Plan (ESAP), which outlined specific actions to maximize identified improvement opportunities and ensure compliance with environmental and social standards, was defined. The project is implementing the actions. An independent environmental and social consultant is monitoring its compliance; the last monitoring visit was conducted in December 2024.

The project's E&S performance assessment is based on the results of the first E&S monitoring conducted by an E&S Independent Consultant in December 2024 and the client's Annual 2024 Monitoring Report prepared by ADN.

Photo ADN website.

PERFORMANCE STANDARD 1

Assessment and Management of Environmental and Social Risks and Impacts

The project has implemented an extensive Environmental and Social Management System (ESMS). This system encompasses an organizational structure, detailed programs, and internal regulations designed to address and manage risks in alignment with PS1.

Key documentation includes an Environmental Impact Statement and a Technical Sustainability Report, both of which meticulously outline the project's identified impacts and the corresponding environmental management processes, including a rescue and relocation plan. Community perception surveys were conducted to gather feedback from residents, and follow-up presentations were held to update the community on project progress, fostering ongoing public engagement and feedback opportunities.

Risk reduction strategies employed by the project include the implementation of a solid waste minimization plan, an eco-efficiency manual, a chemical management plan for site operations, and a comprehensive training program for all involved parties.

Additional measures include an emergency response plan detailing protocols for natural disasters and civil unrest, an occupational health and safety plan, a road safety plan, a contractor and supply chain management plan, grievance mechanisms for both workers and external parties, and a stakeholder mapping and dissemination plan.

Photo ADN website.

PERFORMANCE STANDARD 2

Labor and Working Conditions

To foster positive working conditions, the company has developed and implemented a comprehensive employee handbook detailing internal regulations and procedures. This includes a robust policy to promote gender equality, along with mechanisms for communicating grievances and managing contractors and supply chains.

ADN will develop, adopt, and disseminate a Human Resources Policy among its direct workers and contractors, which will encompass: i) compliance with national employment and labor legislation; ii) promotion of fair treatment, non-discrimination, and equal opportunity for all workers; iii) protection of workers' rights; iv) promotion of a safe and healthy work environment and the enhancement of workers' health; v) zero tolerance for harassment and gender-based violence; and vi) prohibition of forced labor.

To support local communities through employment generation, the Local Workforce Plan mandates that at least 70% of unskilled labor will be sourced locally. Additionally, the plan stipulates that at least 20% of workers will be women. ADN also employs an Occupational Health and Safety Management System to ensure worker safety and well-being, with a strong emphasis on training and prevention. These efforts, along with other initiatives to ensure positive working conditions, comply with all relevant national policies. All actions are meticulously monitored through the ESMS.

Employment standards also emphasize fostering equitable practices and include grievance mechanisms to document and address any non-compliance with these practices.

Photo ADN website.

PERFORMANCE STANDARD 3

Resource Efficiency and Pollution Prevention

ADN has defined a comprehensive set of measures to enhance resource efficiency and minimize waste. These initiatives include the reutilization of wastewater for the irrigation of green spaces and sanitary facilities, the exclusive use of 100% LED lighting, and the implementation of highly efficient sanitary installations. Additionally, ADN is piloting the use of solar panels to generate renewable energy for the facility.

The company is also in the construction process of a state-of-the-art wastewater treatment plant, along with a well and reverse osmosis plant, to provide potable drinking water. All activities are thoroughly monitored for compliance and are aligned with the Environmental Impact Statement (EIS) management plans.

During the construction phase, ADN will generate only non-hazardous solid waste and will implement a Solid Waste Minimization and Management Plan to reduce waste generation across all phases. Subsequent project phases will see the introduction of a comprehensive recycling system.

PERFORMANCE STANDARD 4

Community Health, Safety, and Security

To ensure the health, safety, and security of local communities from project impacts, the ADN site is strategically located 400 meters away from the nearest residential area, effectively mitigating potential disturbances from noise, dust, or vibrations. The project's comprehensive road safety plan includes the installation of clear signage to minimize safety risks in and around the project site.

ADN currently addresses concerns, complaints, claims, and suggestions (CCCS) through direct telephone communication with the Community Relations Officer and via its website. However, the company is committed to updating its CCCS mechanism to align with best international practices, ensuring a more robust and responsive system.

PERFORMANCE STANDARD 6

Biodiversity Conservation and Sustainable Management of Living Natural Resources

Following Performance Standard 6, the site chosen for the facility is located 250 meters outside of the nearest conservation area and does not coincide with any national protected areas. The project's rescue and relocation plan outlines that species rescued at the project site must be transferred to the conservation area, and follow-up monitoring must be conducted.

The implementation of this plan is already underway, with approximately 400 individual plants from three species classified as Least Concern by the International Union for Conservation of Nature (IUCN) and 16 lizards safely moved. Post-rescue monitoring efforts conducted in July 2024 documented a survival rate of over 50% for the plants. Furthermore, ADN is committed to the rehabilitation and protection of wetland vegetation, ensuring the preservation of these vital ecosystems.

PERFORMANCE STANDARD 8

Cultural Heritage

ADN is committed to minimizing any impact on culturally significant elements that may be present on-site or affected by the project's construction and operations. The project has secured two certificates of Non-existence of Archaeological Remains, confirming the absence of identified archaeological sites within the facility's area. Additionally, ADN has established a robust procedure to manage any unexpected archaeological discoveries during the project's execution, ensuring the preservation of cultural heritage.

Photo ADN website.

Impact

462
Workers

20.8%
Female workers

38,3%
Residents from eight vulnerable neighboring localities

ADN is making significant strides in promoting proper labor and working conditions, contributing notably to local employment. As of December 2024, the total workforce was 462; women constitute 20.8% of the workforce, and 38.3% of the total jobs are held by residents of the Ventanilla district.

In addition, ADN's clean-energy initiatives are well underway. Solar panels installed in 2024 achieved an installed capacity of 300 kW, with the ambitious goal of increasing capacity to 4 MW in Phase II.

ADN has also made substantial progress in reducing greenhouse gas emissions, avoiding 44.22 tCO_2e through the reuse of approximately 17,627.7 cubic meters of construction waste and the recycling of 333 kilograms of paper and cardboard waste. Furthermore, 56,986.43 pounds of wood have been repurposed to date.

As ADN progresses through each implementation phase, the exceptional level of project performance is expected to continue contributing to the local economy while ensuring environmental stewardship is applied in all areas of operations.

Photo ADN website.

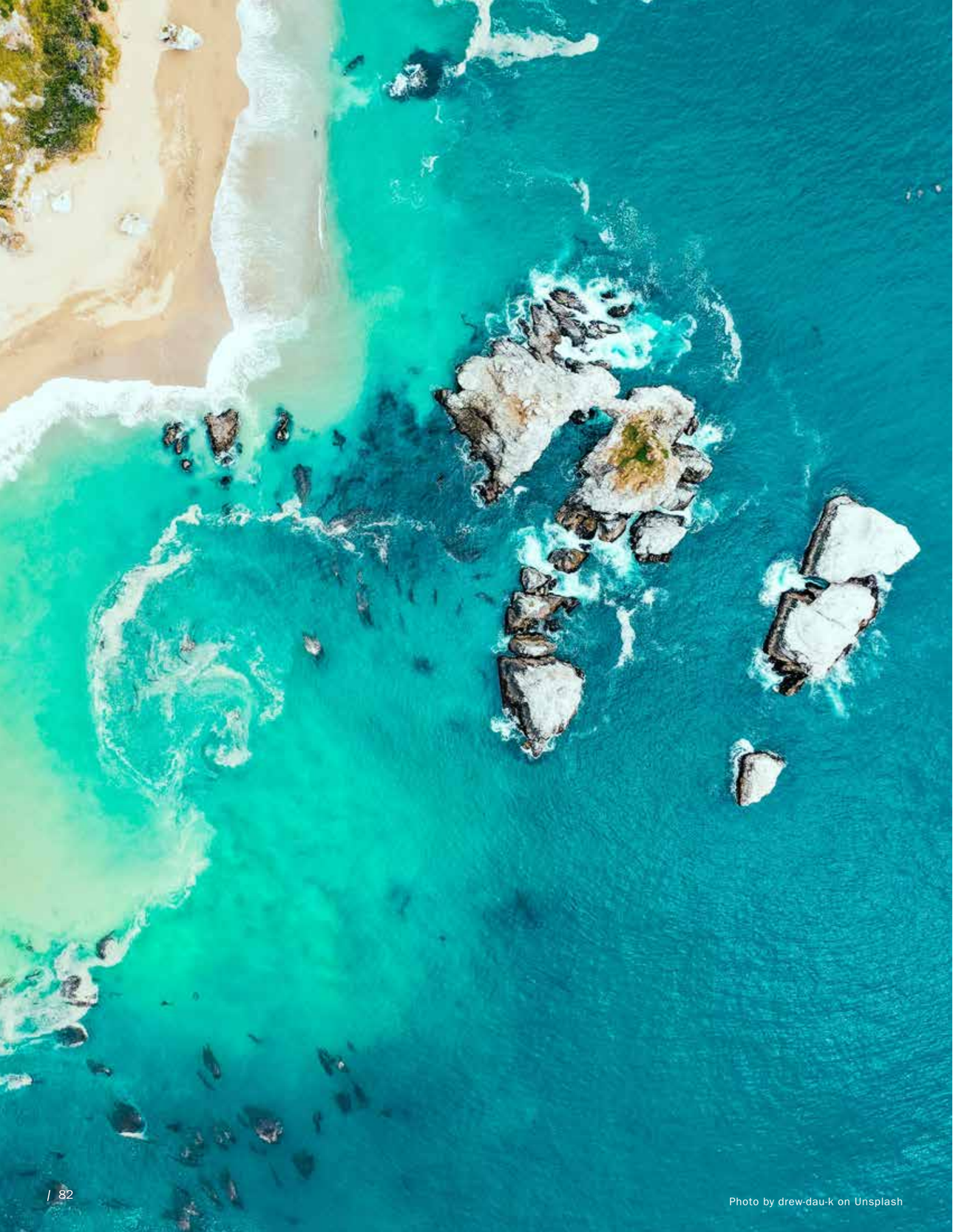


Photo by drew-dau-k on Unsplash

Acronyms

ADN	Almacenes del Norte
AFD Group	Agence Française de Developpement Group
APP	Areas of Permanent Preservation
AXS	AXS Energia
CABEI	Central American Bank for Economic Integration
CCA	Consorcio Cerrado das Aguas
CCRA	Climate Change Risk Assessment
CDB	Caribbean Development Bank
CGM	Community Grievance Mechanism
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CO_2	Carbon dioxide
E&S	Environmental and Social
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
EHS	Environmental, Health, and Safety
EIS	Environmental Impact Statement
EP	Equator Principles
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESG	Environmental, Social, and Governance
ESMS	Environmental and Social Management System
FMO	The Netherlands Development Finance Company
GDP	Gross Domestic Product
GHG	Greenhouse gas
HCV	High Conservation Value
HFO	Heavy Fuel Oil
IDB	Inter-American Development Bank
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IPHAN	National Historical and Artistic Heritage Institute
IRR	Internal Rate of Return
ISBB	International Sustainability Standards Board
ISO	International Organization for Standardization

KPI	Key Performance Indicator
LP	Limited Partners
LPA	Limited Partnership Agreement
LR	Legal Reserves
MM	Millions
MPSH	Monte Plata Solar Holdings S.L.
MW	Megawatt
MWac	Megawatt alternative current
MWh	Megawatt hour
NNL	No net loss
O&M	Operations and Maintenance
OESMP	Operational Environmental and Social Management Plan
OESMS	Operational Environmental and Social Management System
OHS	Occupational Health and Safety
PMGD	Small Medium of Distributed Generation Means
S.A.	Sociedad Anonima (Public Limited Company)
SDGs	Sustainable Development Goals
SEB	Symbiotics Sicav
SEP	Social Engagement Plan
SIDF	Sustainable Infrastructure Debt Fund
SME	Small and medium enterprises
SNIFA	National Environmental Control Information System
tCO_2e	Tonnes of carbon dioxide equivalent
TFA	Term Facility Agreement
TMP	Traffic Management Plan
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
US$	United States dollars
WGM	Workers grievance mechanism
WMP	Waste Management Program

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