

Green Bond / Green Bond Programme Information Template

Issuer name: Banco Davivienda S.A.

Date of completion or of latest update: 28/09/18

GBP component 1: Use of proceeds

Please describe alignment with this GBP component:

In 2017 Banco Davivienda S.A. made its first issue of Green Bonds for a total amount of \$ 433 billion pesos and a period of 10 years, the International Finance Corporation (IFC), part of the World Bank Group, and which is considered one of the main promoters of green investment worldwide acquired the entire issue. The issuance of Green Bonds by Banco Davivienda S.A. allows the financing of projects of:

- Renewable Energy: development of power generation projects including solar, wind, hydro, biomass, geothermal and tidal energy.
- Energy Efficiency: projects for the implementation of measures to reduce energy consumption, use of waste energy, equipment or products that make efficient use of energy, fuel substitution or replacement of vehicles and in general projects that allow the reduction of GHG emissions.
- Water efficiency: projects for the reduction of water use, modernization of facilities, water reuse, among others.
- Sustainable Buildings: Buildings with recognized local or international environmental certifications (referent to projects that correspond with the category of Green Buildings/Sustainable Construction Projects that have LEED, BREEAM or EDGE certification).

Please provide related online information if available:

- <https://bit.ly/2CktZxu>
- https://www.youtube.com/watch?v=zm_m6-y-WzQ&feature=youtu.be

GBP component 2: Process for project evaluation & selection

Please describe alignment with this GBP component:

A. An eligible project of Renewable Energy (RE) is defined as the installation or construction in progress implemented by a corporate entity or SME and intended to invest in fixed assets that allow generation or productive use of electricity, heat, cooling and any other form of renewable energy resources including, but not limited to solar, wind, hydro, biomass, geothermal and tidal.

B. An eligible project of Energy Efficiency (EE) is defined as measures implemented by a corporate entity or SME (Pyme, for its initials in Spanish) with the objective of acquiring, replacing, redesigning or renewing equipment, systems and / or contracting services / products in order to reduce energy consumption for each service unit of the corporate entity or SME. This includes the use of residual energy and any other measure to improve the efficiency of energy use (or the reduction of specific energy consumption) of the system

directly affected by the project. Minimum requirements: Reduce energy consumption by at least 15% compared to the baseline, or reduce GHG emissions by at least 25,000 tCO₂e of the total eligible portfolio. The technical data must be collected and reported through CAFI Tool (Reporting Tool developed by IFC).

Eligible projects may include manufacturers and suppliers of equipment or products intended for EE and RE projects:

-In the case of EE equipment or products, the eligible project must directly manufacture or supply the energy efficiency technology equipment or apparatus. EE equipment or products must be verified as energy efficient based on a reasonable benchmark in the market for the technology or product sold, or be supplied directly to EE projects (by definition of the EE project eligible).

-In the case of ER technology equipment, the eligible project must directly manufacture or supply a component exclusively for the purpose of producing or supporting RE.

C. An eligible Hydric Efficiency Project (WE) is an investment that materially reduces the use of water per unit of production. This can be through the modernization of an existing facility, a water recycling / reuse project or a project that will use alternative water sources such as groundwater, desalinated water or advanced tertiary wastewater measures implemented within the facilities of a corporate entity or SME and intended to invest in fixed assets that are designed to reduce water consumption, provided that the decrease in the use of water from the baseline meets the minimum requirements. Minimum requirements: decrease in the use of water from the baseline in more or equal to 10%. Information to report through the CAFI Tool:

-Annual water savings (cubic meter per year) of water efficiency projects.

-Water use per unit of production (use of water per ton, use of water per guest night (in hotel), use of water per square meter (commercial building or shopping center), use of water for "equivalent product" (pharmaceutical plant).

-% of wastewater discharged.

-Evidence of a Water Management Strategy that results in a 10% reduction in water use, signed by the CEO of the organization.

D. An eligible project can also include a sustainable green building project (Green Building, GB), defined as a project that complies with the green building approved by the IFC or equivalent standards such as:

-Energy Leadership and Environmental Design (LEED) certificate as defined by the US Green Building Council.

-Certificate of Environmental Evaluation Method "BRE" (BREEAM) as defined by the Building Research Establishment.

-Certificate of excellence in design for greater efficiencies (EDGE) of IFC.

-Colombian Environmental Seal for Buildings.

According with the Banco Davivienda's bond in order to evaluate and select projects the Commercial Executive shall:

1. Identify eligible projects according to the defined criteria known through the training, validate with the Banco Davivienda's Department of Environmental and Social Risk.

2. Request the client developer of the project or activity to finance, the following documents: Environmental and Social Information Form – FIAS (for its initials in Spanish) completed by the client and supports.

b. Customer information that evidences the eligibility criteria that are met

3. Refer to the environmental and social risk department the project documents for evaluation and System of Environmental and Social Risk Management (SARAS, for its initials in Spanish) concept and compliance with the eligibility criteria.

The information delivered as support comes from official finches. Additionally, Banco Davivienda validates that the upload of information to the IFC platform is carried out from the appropriate profiles. According with the IFC's guidelines.

In addition, the bonus information is placed in the sustainability report of the organization that has been published year after year since 2011.

Please provide related online information if available:

- <http://documents.worldbank.org/curated/en/734501515577269994/pdf/122317-WP-ENGLISH-201710-IFC-Green-Bond-Impact-Report-FY17-v2-PUBLIC.pdf>

- https://www.davivienda.com/wps/wcm/connect/personas/2be2e2d0-994a-453f-8ec9-c800396ca0a4/Informe+Detallado+2017.pdf?MOD=AJPERES&CACHEID=ROOTWORKSPACE.Z18_NH941K82N_G9J20QGP2BPTN3917-2be2e2d0-994a-453f-8ec9-c800396ca0a4-meSBKmZ

GBP recommendation: External review

Please describe the alignment with this recommendation:

Ernst & Young Audit S.A.S (EY) performed assurance procedures on the post issuance of the Green Bond in relation to projects that correspond with the category of Green Buildings/Sustainable Construction Projects that have LEED or EDGE certification. The objective of that assurance engagement was to obtain a limited assurance level of the internal procedures generated by **DAVIVIENDA** to comply with the requirements of **GBP** published by **ICMA**.

Please provide related online information if available:

It is not online information available.

Additional information

Please provide any further information you may deem appropriate:

It does not apply.