

Environmental and Labor Issues: This is a category FI-1 project according to the IIC's Environmental and Social Sustainability Policy because the subprojects in the financial intermediary's current or future portfolio are for the most part considered medium and high risk. To enable the Investee to better understand the IIC's requirements, it shall be required to attend the IIC's environmental training workshop for financial intermediaries. Banco Ganadero will be required to develop an Environmental Management System to better understand the environmental and social risks of its portfolio; to evaluate, mitigate, and monitor these risks in a structured manner; to ensure compliance with local environmental legislation and occupational health and safety requirements; to establish a good reputation among clients, investors, and other stakeholders; and to maximize the identification of environmental and social opportunities. Each subproject will be subject to an environmental review and must comply with national environmental and labor laws, regulations, and standards as well as IIC environmental guidelines. Banco Ganadero must also submit annual environmental reports to the IIC indicating the progress made and problems encountered in the implementation of these practices.