

GLOBAL FACTOR

SUSTAINABLE FINANCE

ESG and climate change integration into the risk management processes, and business strategies of financial institutions



WE ARE GLOBAL FACTOR

GLOBAL SOLUTIONS FOR CLIMATE CHANGE, ENERGY AND SUSTAINABILITY

Global Factor is an **international group**, specialized in offering **global**, original and sustainable **solutions** in areas such as **climate change, energy and sustainability**.

Since its inception in 2004, Global Factor has participated:

- In more than **2.700 projects**.
- With more than **2.000 clients (public and private)**.
- In more than **50 countries**.
- Global Factor has also carried out **comercial transactions in the carbon market** for a total value of **around 1.26 billion euros**.



International team presence in **Spain (Bilbao, Madrid), Italy, France, Poland, Germany, Portugal, United Kingdom, Ecuador and México**.



24 % INCREASE IN CONSULTING TEAM



23 % INCREASE IN CONSULTING REVENUES



35 NEW CUSTOMERS



+ 259 NEW PROJECTS IN 2022



+ 121 M PEOPLE IMPACTED THROUGH OUR PROJECTS



Climate impacts on people and ecosystems are more widespread and severe



Future risks will increase rapidly with every fraction of a degree of warming.



Aproximately half of the world's population currently faces severe wáter shortages for at least one month of the year.

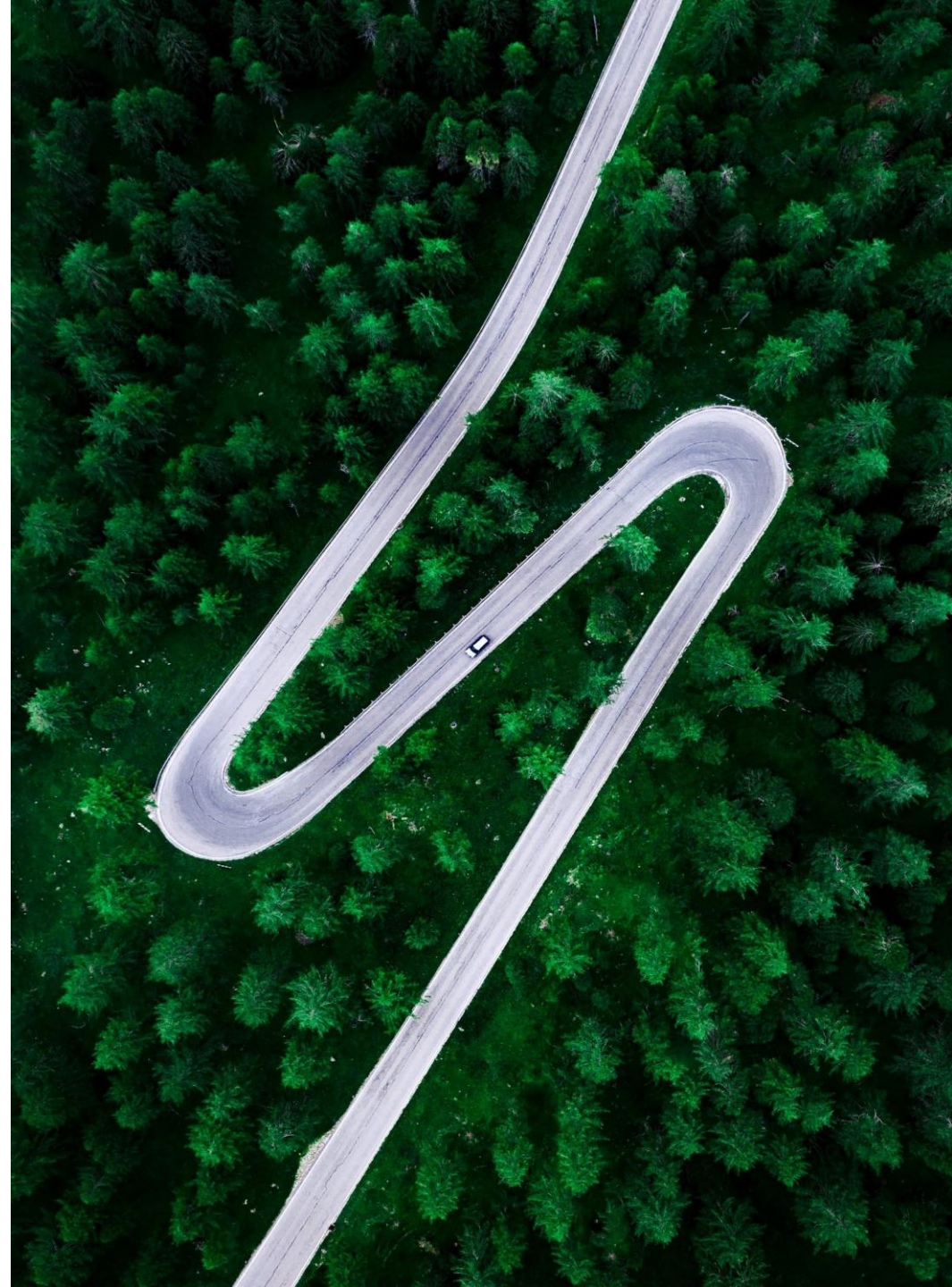


Spread of vector-borne diseases such as malaria, West Nile virus and Lyme disease.



Slowing improvements in agricultural productivity in low and mid-latitudes. Extreme floods and storms have forced more than 20 million people from their homes each year.

Source: <https://www.ipcc.ch/ar6-syr/>



Other drivers of change...

We have the planetary challenge of limiting the global temperature increase to 1.5°C to avoid catastrophic consequences and to be able to have a prosperous and sustainable future. To this end, we must be able to achieve net zero emissions by 2050 at the latest. This implies a profound transformation towards a low-carbon economy, and the development of more circular and sustainable business models. The financial sector has the potential to play a leading role in this transition by **choosing to finance sustainable businesses and projects**. Investors have a powerful role in controlling and steering the boards of companies; by monitoring their investments, investors can also influence the companies in which they invest.

Clients

Increased probability of default (industry loss of asset value, 'stranded workers'), new clients with earning capacity.

Business opportunities

Clients looking for banks to protect them from risks and align with the global sustainability agenda.

Regulatory impetus

Initial development of recommendations, preparation of regulatory frameworks and adherence to international initiatives and agendas.

Contract boosting

Climate/sustainability risk conditions from international funders.

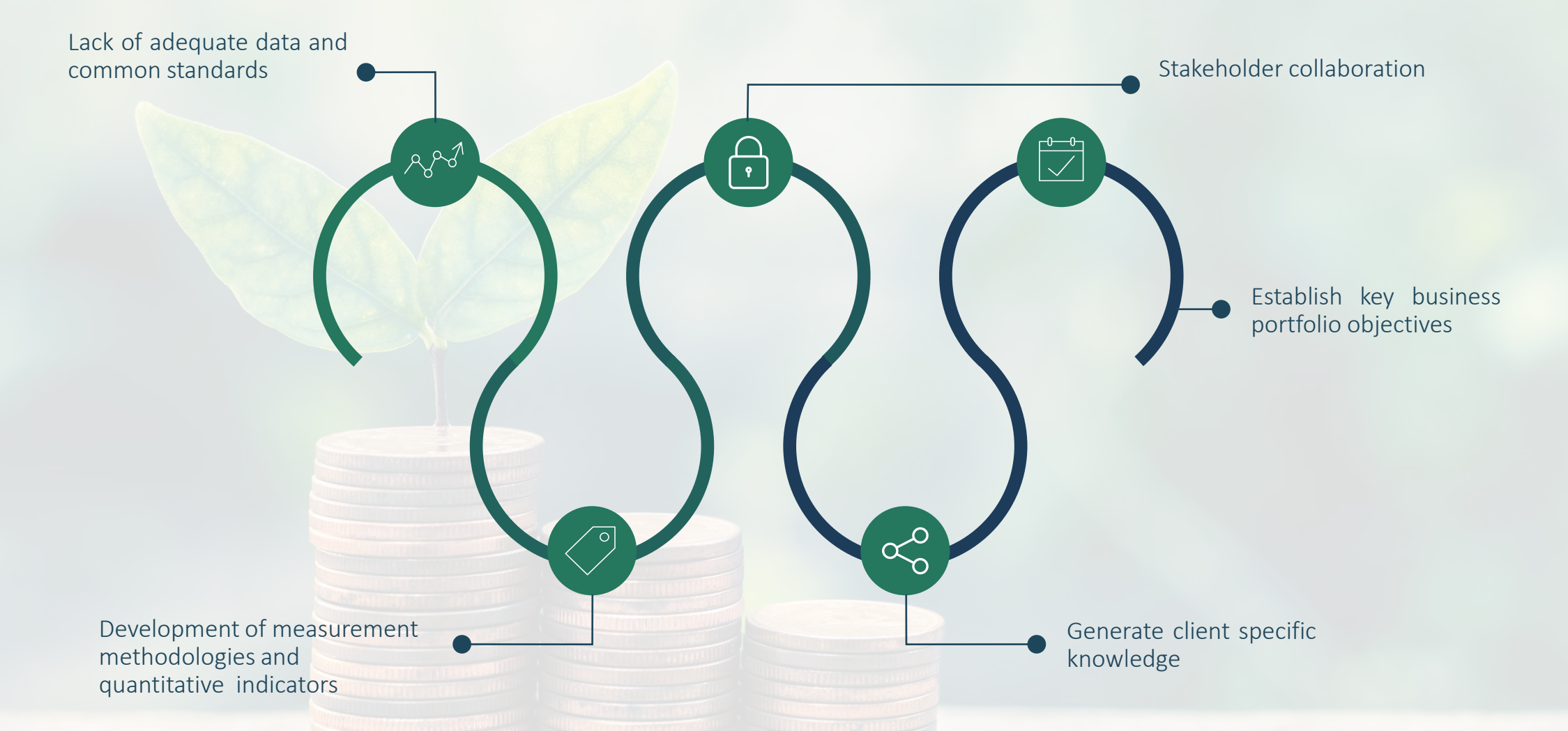


What is sustainable finance?

Procedures and tools to integrate environmental, social and governance (ESG) considerations when making decisions in the financial sector. Seeks to drive longer-term investments in sustainable activities and projects.



What challenges do we address?



Roadmap and requirements for incorporating sustainable finance considerations into a financial institution



Our experience

giz

CAF
CORPORATION FOR
FINANCIAL DEVELOPMENT
IN AMERICA LATINA

AFD

eco.business
Fund
Development Facility

BID | Invest



Our experience



Implementation of SARAS (Social and Environmental Risk Management System)

Superintendency of Popular and Solidarity Economy (2023)

Development of Knowledge Tools and Capacity Building for the Implementation of the Environmental and Social Risk Management Standard in Financial Institutions of the Popular and Solidarity Economy Sector in Ecuador.

BID Invest (2022)

Strengthen Interbank's existing SARAS, aligning it with the IFC Equator Principles and Performance Standards. Allowing for better analysis, management, and monitoring of environmental and social issues at the project and operational level.

Banco Pichincha (2021)

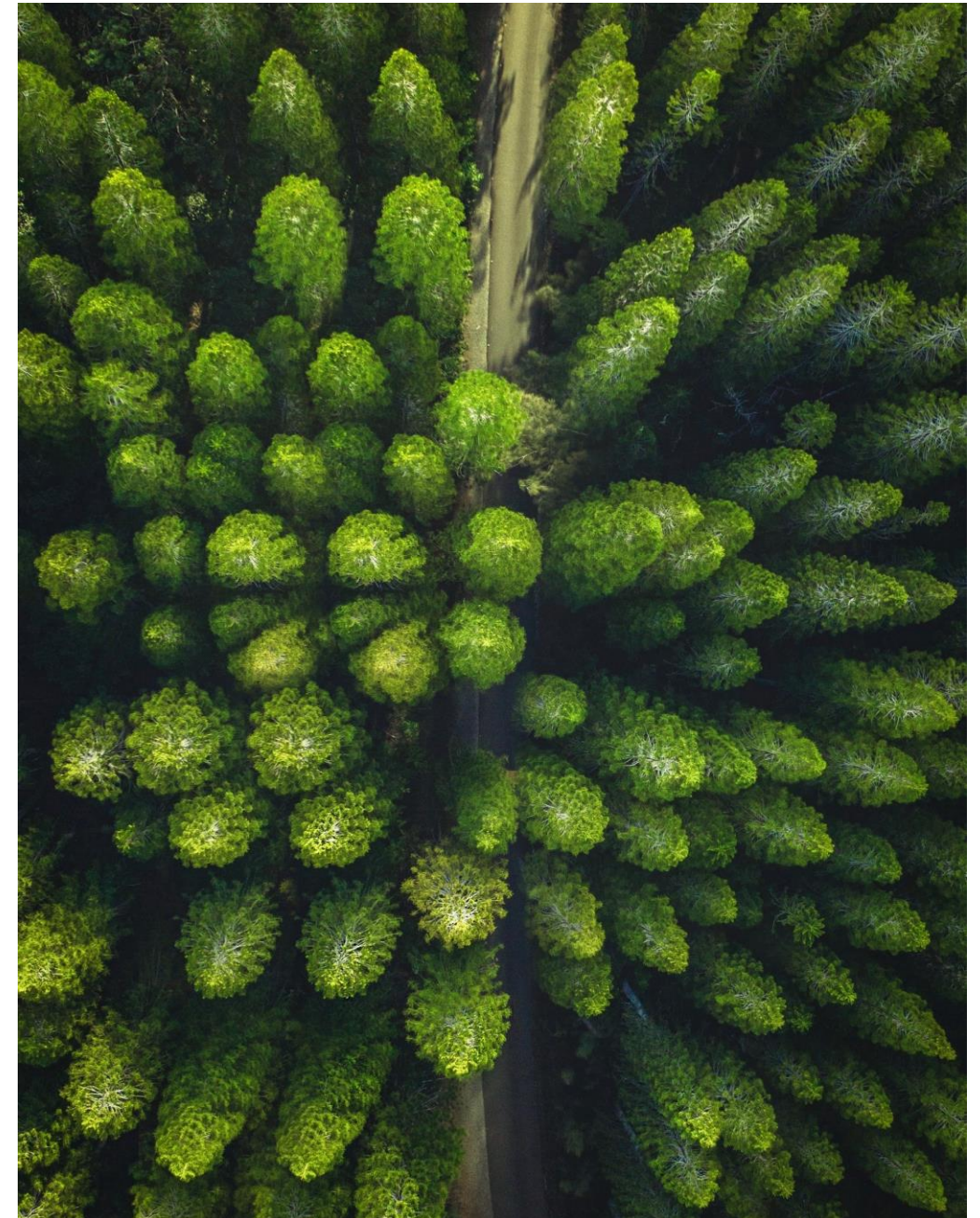
Development and implementation of a tool to support the application of Banco Pichincha's exclusion list of non-financed activities.

COFIDE (2020-2022)

Implementation of a new SARAS. Updated policies and guidelines, and development of new tools for COFIDE's accreditation for the Green Climate Fund.

German Confederation of Cooperatives - DGRV (2020)

Integrate a SARAS into DGRV's Qualitative Evaluation System (SEC) for application by credit unions.



Integrating climate change

Banco Hipotecario (2023)

Integration of climate risk into SARAS and quantification of the Organisational and Portfolio Carbon Footprint.

BID Invest (2022)

Climate and resilience strategy design. Assessment of physical and transition risks according to TCFD recommendations for BANBIF.

CaixaBank (2022)

Development of verifiable carbon footprint calculators for the bank's customers. Construction of emissions measures for transactions made with credit and debit cards issued by the bank.

UBS (2022)

Carbon footprint of the bank's customers through the development of emissions measures for credit and debit card transactions.

CHUBB (2022)

The project consisted of calculating the organizational carbon footprint based on the ISO14064 methodology in nine Latin American countries. A GHG reduction plan was drawn up and emissions were offset.

BANKINTER (2020)

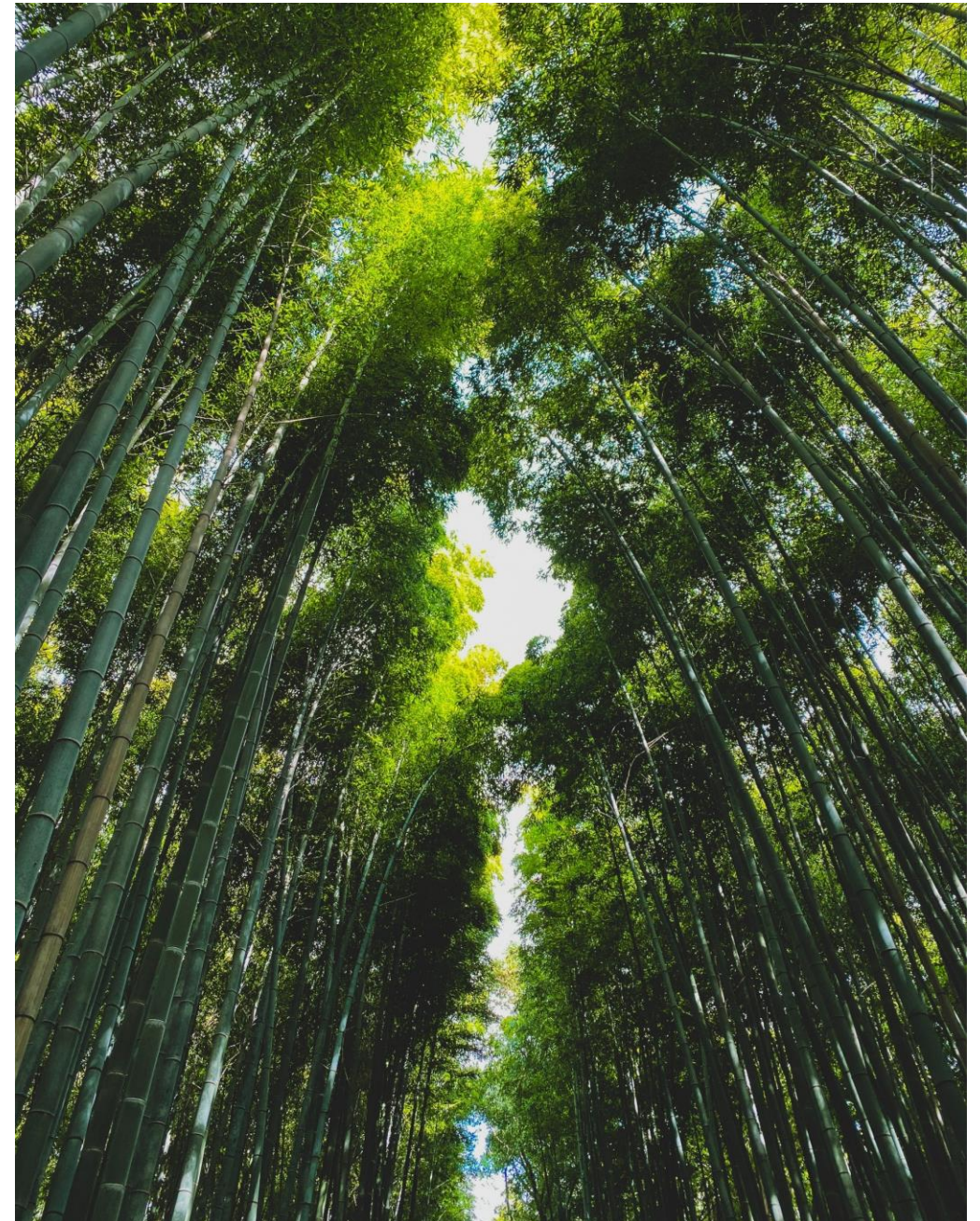
Quantification of the organizational carbon footprint.

Banco Santander (2021-2022)

Carbon footprint of the bank's customers through the development of emissions measures for credit and debit card transactions issued by Banco Santander in Spain, United Kingdom, Portugal, Poland and Brazil.

Mutua Madrileña (2022)

Calculation of the organizational carbon footprint and the 'Annual Meeting of Mutualists' event for carbon neutral certification.



Training for financial entities

FEPCMAC (2023)

Design and implement a training program (synchronous and asynchronous) in sustainable financial education, to raise awareness of the culture of sustainability, green financial products and new measures of impact towards financial inclusion in Peru.

Banco Pichincha (2022)

Training and education on the Environmental and Social Risk Management System (SARAS 2.0) and IFC's Socio-Environmental Performance Standards. And subsequently, strengthening internal knowledge and capabilities in line with the specific needs of the institution.

FIIAP (2021)

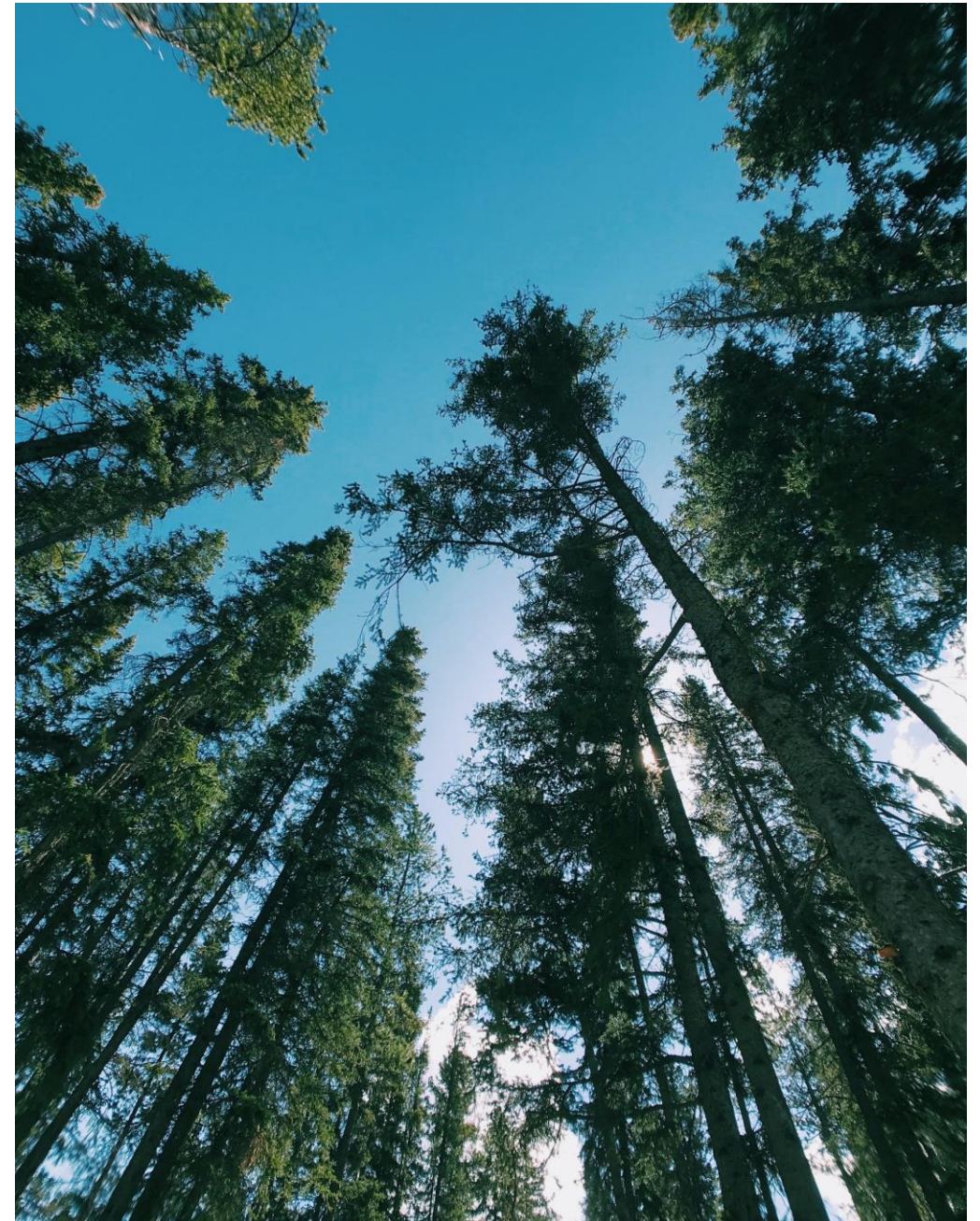
The consultancy was aimed at training local specialists, management staff, and officials (ONURE Central Office) on the implementation of the program to support Cuba's national energy policy.

GIZ (2020)

Development and piloting of a professional training program on sustainable finance, and its insertion into the strategic development course programs of Brazil's leading public sector education and training institution, the Escola Nacional de Administração Pública (ENAP).

Confederation of German Cooperatives - DGRV (2021)

To train the staff of a savings and credit cooperative on the organization's integration of sustainable finance through a virtual program. The sustainable finance training consisted of the following modules: Module 1: Basics of sustainability and cooperativism; Module 2: Sustainable Finance; Module 3: Action plan for the integration of sustainable finance in cooperatives and; Module 4: MicroScore green module.



Green Climate Fund bank accreditation

CAF (2022)

Loan portfolio evaluation for re-accreditation for the Green Climate Fund.

Sudameris Bank (2022)

Gap analysis of the bank's policies and processes for accreditation for the Green Climate Fund. Including, a full training and improvement roadmap.

Development Finance Agency (2022)

Gap analysis of its accreditation process for the Green Climate Fund. Including, a full training and improvement roadmap.

BANCOLDEX (2022)

Close policy gaps in fiduciary aspects, and environmental and social safeguards (including gender equality) for accreditation for the Green Climate Fund.

CODIFE (2022)

Close policy gaps in fiduciary aspects, and environmental and social safeguards (including gender equality) for accreditation for the Green Climate Fund.

Fundación Sur Futuro (2023)

Gap analysis of its accreditation process for the Green Climate Fund. Including, a full training and improvement roadmap.

Fondo Marena (2023)

Gap analysis of its accreditation process for the Green Climate Fund. Including, a full training and improvement roadmap.



Tools for sustainable credit integration

Global Bank (2023)

Develop a green credit manual, establish green product policies and procedures, develop a market strategy, develop a green taxonomy, develop tools for green product integration and implementation, and conduct green product implementation training.

BDP (2023)

Design the new business model of the BDP S.A.M. based on a regional funding strategy for financial and non-financial services in compliance with the mandate of the PEI 2022-2026.

BICE (2023)

Bank's Sustainability Strategy. Strengthening of SARAS. Evaluation and Reporting System. GRI Reporting.

Citibank Finance in Motion GmbH (2019).

Evaluation of the current supply of green loans in the microfinance segment for a financial institution in Ecuador. Conducting trainings for sales staff of the microfinance segment to help with the identification of green funding opportunities.

BCP (2023)

To comprehensively train BCP members in the essential fundamentals of SARAS, PCAF methodology, as well as the complex interconnections between climate change concepts and the various economic sectors.

German Confederation of Cooperatives - DGRV(2019)

Development of an action plan for the creation and implementation of a portfolio of sustainable credit products. Development of international green finance standards and recommendations for access to national and international financing.

International Bank (2019-2022)

Portfolio analysis to identify hidden green potential. Design of a green credit line. Development of a green credit operational manual. Development of a tool for the implementation of green credit. Training of staff and senior management on sustainability and climate change issues.

Interbank (2022)

Portfolio segmentation analysis. Market analysis for the concession of green products. Identification of potential green products and services. Elaboration of a sustainable bond framework aligned to Peru's sustainable taxonomy and that of CBI.



Teamwork



Dayana Vega

Country Manager

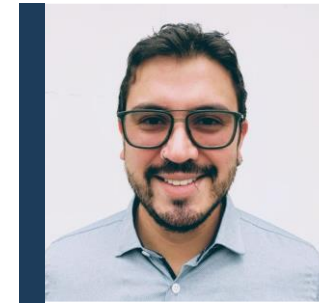
Environmental Engineer with a Master in Environmental Management and Corporate Responsibility and a Diploma in Green Finance. More than 10 years of experience with extensive knowledge and experience in sustainable finance, having worked for the Development Bank of Latin America- CAF, facilitating the environmental and social management of credit operations, supporting the Environmental and Social Management Program for Financial Institutions (PGASIF), the work agenda between CAF and the United Nations Environment Finance Initiative (UNEP FI). Currently, she is working on the development of sustainability and climate change strategies for banks. Her experience includes environmental, social and climate risk analysis, as well as the development of tools for analysis, identification, management and capacity building to improve and promote green financial products and climate risk management for several banks in the region such as BISA, BANBIF, INTERBANK, COFIDE, Bancóldex, BICE, Banco Pichincha, Sudameris, AFD, BCP, BDP, among others.



Joselyne Paz

Senior Consultant

Environmental Engineer with experience in the implementation of projects related to environmental management, climate change and sustainable finance. She is a senior consultant at Global Factor Ecuador, where she performs technical development of climate change and sustainable finance projects. Joselyne has participated in projects for clients in the financial sector, including banks and cooperatives, on Environmental and Social Risk Analysis System (SARAS), development of green financial products, elaboration of sustainability strategies, development of sustainable bond frameworks, among others. In addition, she has expertise in SARAS design and alignment with national and international standards, such as the Equator Principles and IFC Performance Standards, in order to better analyze, manage, and monitor environmental and social issues at the project and operations segment level.



Pablo Tapia

Senior Consultant

Economist and Master in Environment and Development. He has more than 10 years of work experience in Ecuador in the public and private sector, especially in the environmental and banking-financial areas. He has participated in the development of consulting and technical advisory services for different institutions, specializing in the assessment of gaps for accreditation to the Green Climate Fund, estimation of climate risks and opportunities, portfolio evaluation, design and redesign of green financial products, analysis of enabling frameworks in the regulatory, legal and institutional fields for the promotion of innovative financial mechanisms for the mobilization of environmental or climate resources such as Thematic Bonds, Special Purpose Vehicles and Public-Private Partnerships, among others.

Teamwork



Diana Medina

Consultant

Environmental engineer graduated from Universidad San Francisco de Quito with specialized studies in green finance. She has 3 years of work experience in Ecuador related to the implementation of projects related to circular economy and environmental management. She has worked in institutions such as the Microalgae Laboratory USFQ, Hidroeléctrica Perlabí S.A., GIZ and the Ministry of Production, Foreign Trade, Investment and Fisheries. She has participated in the development of biological wastewater treatment, design and construction of a pilot scale HRAP photobioreactor for microalgae cultivation, management plans and environmental licenses. Diana was involved in the construction of Phase 2 of the Circular Economy White Paper in Ecuador. Currently, she is a Researcher at Global Factor Ecuador where she develops projects focused on sustainable finance, accreditation to international funds and circular economy.



Pablo Gómez

Consultant

Economist, with a specialization in environmental and natural resource economics, graduated from the Pontifical Catholic University of Ecuador (PUCE). He has more than 3 years of work experience in Ecuador; he has worked mainly as a consultant and researcher for Global Factor, PUCE and social organizations. After finishing his economist thesis, and his award as best thesis in the "XII International Week of Economics", he collaborated as a consultant for the Institute of Economic Research of the PUCE. He has participated in consultancies related to National CC Strategies, innovative instruments for sustainable financing, development of sustainability strategies, concept notes for investment projects, training programs on (SARAS), international standards, sectoral performance indexes for circular value chains, among several other projects. He has developed projects for clients such as UNDP, World Bank, ALIDE, BICE CAF, AFI, Ministries, etc.



Gisselle Flores

Consultant

Environmental Engineering graduate from Universidad San Francisco de Quito, currently pursuing a Specialization in Leadership, Climate Change and Cities at FLACSO Ecuador. Professional with extensive knowledge in climate change focused on climate finance, mitigation and adaptation. Experience in environmental communication projects, environmental and social risk management system (SARAS), obtaining green dot certification in Ecuador and development of concept notes and financing proposals to environmental and climate funds. She has worked on the development of documents and tools for better environmental and social risk management in financial institutions in the region. She has also participated in the analysis of sustainability in companies and the development of strategies for companies.

Teamwork



Itziar Patiño

Senior Project manager

With more than 15 years of experience in insurance, financial risk analysis, sustainability and reporting in the banking and insurance sector. During her experience in BBVA she participated in the development of the sustainability strategy in the retail portfolio, at international level, assessment of climate risk risks and opportunities and their integration into the credit risk methodology and policies, identification of the main KPIs and preparation of non-financial reports for both senior management within the organization and other external stakeholders. Participation in transversal projects of carbon footprint estimation, transition risk heat maps and physical risk assessment. Currently leading the management of carbon footprint, adaptation and climate risk consulting projects for private organizations.



Jorge Alcázar

Senior Consultant

Environmental Engineer. Expert in assisting companies and organizations in improving their environmental performance, with the development of Carbon Footprints, GHG Emission Reduction Strategies, Water Footprint, Life Cycle Analysis and Adaptation Plans. He has technically led projects in Ecuador, Spain, Mexico, United Kingdom, Poland and Portugal. He has developed tools for calculating organizational and product Carbon Footprint under methodologies such as ISO 14064 and 14067, GHG Protocol, IPCC, GLEC, NAMEAS and PCAF for the energy, financial, automotive, agricultural and livestock sectors, among others.



Stefany García

Consultant

Degree in Environmental Engineering. Master's Degree in Integrated Quality, Environmental, Corporate Social Responsibility and Occupational Risk Prevention Management Systems. Internal auditor in ISO 14001, ISO 9001, ISO 45001. She has participated in the Education and Sustainable Lifestyle Program of One Planet Network and was part of the working group at the Regional Climate Conference of Youth (RCOY). She has collaborated in projects in the health sector in Ecuador and in international projects in Spain and Mexico for industries in different sectors such as insurance, agriculture and agribusiness, conducting studies of carbon footprint, water footprint and sustainability.

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