

PROCOLO VERDE

INTRODUCTION

The Rio Declaration (1992), the Millennium Summit of the United Nations (2000) and the Johannesburg Earth Summit (2002), agree that environmental protection is a joint responsibility, implying Relationship between the public and the private. In this sense, the Political Constitution of Colombia, and particularly Law 99 of 1993, establishes that the action for the protection and environmental recovery of the country is a joint and coordinated task between the State, the community, non-governmental organizations and private sector.

In the search for solutions, governments have found an important ally in the business sector, which has become aware of its responsibility in protecting and preserving the environment and in meeting the social needs of the population. An ethical vision that goes beyond simple compliance with legislation.

In this sense, Corporate Sustainability is a reflection of the way companies predict the consequences that their activities have on society, and in which they affirm their corporate principles and values, whether in their internal methods and processes or in their Relationship with the other actors, thus forging a voluntary strategy of social, environmental and economic improvement, which implies going beyond mandatory regulatory compliance and contributing to the creation of a competitive position in the market.

In addition, Corporate Sustainability implies that companies adopt a proactive and responsible position around the impact of their operations, and become the driving force behind the construction of a social fabric that will improve the living conditions of the local inhabitants. This culture is a way of doing business that guarantees greater sustainability over time to the company, sustainable consumption of renewable natural resources, increased productivity, ease of access to markets, credibility and economic growth.

In this scenario, the business sector is innovating in sustainable development practices, which involve environmental sustainability, socio-cultural equity and economic viability, incorporating biodiversity protection, respect for human rights, equitable distribution of income, Strengthening social and cultural ties and productive actions that maintain the natural base and ecosystem services. All these are aimed at the growth of the sector in the long term, in the hands of its stakeholders.

At the same time, society is urgently calling on the economic sectors, especially the financial sector, so that, taking advantage of its position as financial intermediary and facilitator of the economic resources that allow the transformation and development of the country, incorporate in its processes and Decisions, environmental and social aspects. The integration of these considerations into the activity of each of the Colombian economic and social actors will generate the necessary synergy to find suitable solutions to the productive processes and adjust them taking into account the criteria of environmental sustainability of our planet.

Colombia is a country privileged because of its natural base, composed of an important variety of ecosystems and with a high potential to offer environmental services based on the GDP growth of many countries in the coming years. However, if we do not take immediate measures for the conservation and protection of this environmental heritage, Colombia will lag behind in its potential for sustainable growth, which would lead to social inequality and high poverty rates. Integrated management of water resources, preservation of biodiversity, sustainable management of forests and the fight against global warming, adequate waste management, reduction of atmospheric emissions, among others, should be a priority because they are associated with a potential reduction of environmental services that are necessary for the survival of humanity.

Climate change pushes nations to adopt measures to reduce greenhouse gas emissions, which could triple in the coming decades by producing a change in temperature above 5 ° C, a terrain unknown to mankind. In this sense, the Colombian Low Carbon Development Strategy seeks to identify and evaluate actions that will be aimed at avoiding the accelerated growth of GHG emissions as the sectors grow, having as main objectives: i) to take advantage of the options of International financing to facilitate the low-carbon development of economic sectors; (ii) promote technology transfer; and (iii) define a regulatory framework that contributes to the development of the country's economy, taking into account the carbon-efficiency of production processes.

The evident effects of climate change in the country leave a profound impact on a number of communities, show the fragility of our infrastructure and the lack of planning for an appropriate use of the territory, while leaving clear evidence of the impact of change Climate we are exposed to.

According to the National Development Plan 2010-2014 "Prosperity for All", \$ 26 billion was used to address the consequences of the first winter wave. Recent IDB studies conclude that this phenomenon will impact 5% of GDP by 2025. The National Government has been structuring mitigation and adaptation measures that will entail significant capital investments in the coming years.

Our country has also been making efforts to join the Organization for Economic Co-operation and Development (OECD), whose mission is to promote policies that improve the economic and social well-being of people around the world, Leading to green growth, with policies being adopted by all sectors of society that mutually reinforce economic growth and conservation of the natural heritage, provide incentives for the efficient use of renewable natural resources and discourage excessive consumption and pollution.

Taking into account that the Free Trade Agreements seek to ensure that the flow of goods, services and investments are unjustified restrictions and in transparent and predictable conditions, it is necessary to promote our products at competitive levels for which environmental sustainability is one of the fundamental pillars to achieve this.

For this purpose, it is advisable to consider the incorporation of sustainable development guidelines in the financial sector, which seek to improve human well-being and social equity, while significantly reducing environmental risks and reducing ecosystem services.

In this context, the signing of a Green Protocol, Cooperation Agenda or voluntary agreement, between the National Government and the economic sectors, in this case the financial sector, aim to generate benefits to the environment and, therefore, to society. In this sense practices have been developed in different countries such as Nigeria, Israel, Malaysia, India and for our closest referent Brazil.

The Brazilian Protocol signed in 2009 includes five different strategies and guidelines for banks to offer lines of credit and / or investment that contribute to the quality of life and the sustainable use of renewable natural resources. Strategies also consider environmental impacts and costs in asset management, risk analysis and project financing, and promote cleaner production and responsible consumption of renewable natural resources.

AGREEMENT

Considering that the signatories of this Protocol recognize that they can play a fundamental dynamizing role in the search for Sustainable Development, which presupposes the environmental preservation and sustainable use of renewable natural resources, as well as the continuous improvement of the well-being of society, and in turn, with the actions to be taken that will emerge from this Protocol will minimize their exposure to different types of risks, improve their efficiency by reducing their ecological footprint, support environmentally sustainable projects in the long term, and integrate different actors that make this coherent initiative.

The purpose of this Protocol is to facilitate the convergence of efforts by the Colombian National Government and the Colombian Financial Sector to incorporate and implement policies and practices that are precursory, multiplier, demonstrative as exemplary in terms of environmental responsibility in harmony with Sustainable Development Satisfies the needs of present generations without compromising the possibilities of future generations.

STRATEGIES: The signatories agree to give their maximum effort to implement the Strategies listed below, within the framework of their competencies:

Strategy 1: Generate guidelines and instruments to promote development financing with sustainability through credit and / or investment facilities, and programs that promote sustainable use of renewable natural resources, environmental protection and the competitiveness of the productive sectors of the country, contributing to the improvement of the quality of life of the population.

Financial sector	National government
<p>A) Continuously improve the portfolio of banking products and services intended to finance activities and projects with social and environmental benefits.</p> <p>B) Promote differentiated financing conditions (rate, term, grace period, eligibility criteria, etc.) for projects with social and environmental benefits, such as cleaner production, energy efficiency,</p>	<p>A) Disclose the existing tax benefits that can be used by individuals for the development of their activities and / or projects to improve the environment.</p> <p>B) Promote the access of the business sector to strategies of self-management and self-regulation, established for the development of environmentally sustainable projects and activities.</p>

<p>renewable energy, carbon markets, sustainable construction, Ecotourism / sustainable tourism, biotrade, biotechnology, among others.</p> <p>C) To guide its customers with credit and / or investment in order to encourage the adoption of sustainable production and consumption practices and the use of state incentives.</p> <p>D) Development Banking will promote innovative products that help Commercial Banking achieve the objectives of this Strategy.</p>	<p>C) Promote the generation of financing lines for the implementation of programs and projects in sustainable production and consumption systems that facilitate the access to external markets.</p> <p>D) Identify jointly with the Financial Sector funds and resources of public / private cooperation for the development of actions under the Protocol.</p>
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Strategy 2: Promote in their internal processes the sustainable consumption of renewable natural resources or goods and services derived from them.

Financial sector	National government
<p>A) Define and contemplate environmental and social criteria in the processes of procurement and contracting of services.</p> <p>B) Develop policies and procedures for the management and monitoring of the environmental impacts of internal processes.</p> <p>C) Seek the use of criteria of sustainable construction when making adjustments or new constructions.</p> <p>D) Simplify operational procedures to promote maximum efficiency in the use of natural resources and derived materials.</p> <p>E) Promote internal incentives to manage natural resources efficiently.</p> <p>F) Adopt effective measures for the reduction of the generation of waste, its adequate destination and the implementation of reuse and recycling.</p>	<p>A) To propose Sustainability criteria in the processes of procurement and public procurement of goods and services.</p> <p>B) Propose policies and procedures for the management and monitoring of the environmental impacts of the internal processes of the financial sector</p> <p>C) Promote the use of sustainable construction criteria when making adjustments or new constructions.</p> <p>D) Develop programs aimed at generating the national capacity in the different actors to approach practices of sustainable construction.</p> <p>E) Share relevant information with financial institutions on best corporate eco-efficiency practices.</p> <p>F) Develop awareness and education programs in the area of integrated waste management.</p>

Strategy 3: Consider in the analysis of credit and investment risk, the environmental and social impacts and costs that are generated in the activities and projects to be financed, based on compliance with Colombian environmental regulations.

Financial sector	National government
<p>A) Develop policies and procedures that allow analyzing and categorizing environmental and social risks in the financing of projects and activities, potentially or effectively polluting or using renewable natural resources in their</p>	<p>A) Consolidate and provide information on management measures and use regimes for protected areas, strategic ecosystems or high conservation value, to be considered in credit and / or investment analysis, when applicable.</p>

<p>production process, which must contemplate the respective compliance with environmental regulations applicable.</p> <p>B) Incorporate environmental and social criteria in the process of analysis, granting and monitoring of credit and / or investment, taking into account the magnitude of their impacts and risks, and the need to establish prevention, mitigation, correction and / or compensation measures.</p> <p>C) The Development Bank will periodically carry out an evaluation of the environmental and social management systems of the Commercial Banking through which it channels its resources.</p> <p>D) The Development Bank will carry out training programs that will help the construction of internal capacity in Commercial Banking for the implementation of environmental and social management systems that meet their expectations.</p>	<p>B) Publication in a site of public access, the environmental and social performance guidelines that can be applied by productive sector.</p> <p>C) Provide the information contained in the Single Registry of Environmental Offenders.</p> <p>D) Provide, at the request of financial sector entities, timely, up-to-date information on the fulfillment of the obligations of the clients defined in the licenses and / or environmental permits granted by the National Environmental Licensing Authority (NALA).</p> <p>E) To promote and expand the application of the Strategic Environmental Assessment (SEA) for Policies, Plans or Sector Programs prioritized in the National Development Plan.</p>
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DISCLOSURE: Signatories shall communicate this Protocol through their channels of dissemination. They also agree to inform, sensitize and involve their stakeholders the policies and practices of the institution associated with the Protocol.

Financial sector	National government
<p>A) To train within the organizations in order to develop the necessary competencies for the implementation of the Protocol Strategies.</p> <p>B) To develop mechanisms for consultation and dialogue with interested parties, in order to facilitate and improve the implementation of the Protocol.</p> <p>C) Define indicators to measure and disseminate the results and progress in the implementation of this Protocol.</p> <p>(D) Periodically publish the results of the implementation of the Protocol Strategies.</p>	<p>A) The Ministry of Environment and Sustainable Development will carry out a comprehensive outreach work to the Ministries, environmental authorities and other competent public entities with the purpose of making the Protocol have a greater impact.</p> <p>B) Support the Financial Sector and its stakeholders in dissemination activities to the external public in order to promote a culture of environmental responsibility in the country.</p> <p>C) Disclose the progress related to Strategic Environmental Assessments - SEA</p>

DYNAMIZATION: The signatories will promote the harmonization of procedures, cooperation and integration of efforts among the signatory organizations, in the implementation of the Strategies through the Asobancaria Sustainability Committee, taking into account the following:

A) Involve the signatories in order to share experiences, monitor the effectiveness of the Protocol, and propose improvements in the implementation process of the Strategies, as well as their evolution.

B) Develop a standardized approach model, to collect environmental and social information with clients and other stakeholders to identify opportunities.

C) Develop permanent programs of technical training in environmental and social issues to financial sector entities, to improve their understanding of Sustainability.

D) Defining, in a standardized way, the guidelines, methodologies and tools to be applied in each Strategy, so that each financial institution independently implements them according to their competencies, model and business strategy, facilitating in any case the Integration of information on the results of the Protocol.

E) To carry out every two years the revision of the Strategies, for a continuous improvement of this Protocol.

F) Incorporate, on a regular basis and according to the need of the topics to be addressed, the representatives of the entities that support the Protocol and others that are relevant.

GENERAL FEATURES

GENERAL ORIENTATION: The signatories of this Protocol, within the scope of their competencies, will contribute to the continuous improvement and construction of solutions for the environmental and social challenges of our time, with the integration of actions between civil society, the State and companies for sustainable development.

COMMITTEE: The Asobancaria Sustainability Committee is the highest operational organ for this Green Protocol to make recommendations and make decisions as well as to present results of its development.

The signatories welcome the Asobancaria Sustainability Committee, as the maximum instance of this Protocol, to resolve the doubts that arise from it, for which it may take into account the contributions of third experts, seeking to have sufficient illustration for the implementation of recommendations and Decision-making.

REPRESENTATIVE OF THE GOVERNMENT: For the implementation of this Protocol, the National Government will propose to a high level official to assume as function, to support and to follow up the development of the proposed activities.

WORK PLAN: The development of the listed actions and additional aspects that are identified by the signatories, will be reflected in a work plan that will be elaborated with the leadership of the Sustainability Committee of Asobancaria, within the month following the subscription of this one and Which will be disclosed to stakeholders for their knowledge. This work plan will include as milestones and time estimates the following:

REFERENCE STANDARDS: The Financial Sector, with the support of the Ministry of Environment and Sustainable Development, in the development of the work plan, may suggest and define the environmental standards for the implementation of each of the

Strategies presented. World-class standards are used by entities in the financial sector in developed and developing countries, among which the following may be considered:

Concept	Standard and / or guides to be evaluated for implementation
Sustainability indicators	Global Reporting Initiative (GRI) - Financial Supplement Dow Jones Sustainability Indexes (DJSI) - Banking Sector Ethos Indicators
Strategy 1 Green Portfolio	Green Financial Products and Services - UNEP-FI Principles of Responsible Investment - PRI of UN
Strategy 2 Eco efficiency	Eco efficiency - WBCSD / WRI Sustainable Construction - LEED of the USGBC Carbon Footprint - WRI GHG Protocol Carbon Disclosure Project - CDP Ecological footprint - Global Footprint Network
Strategy 3 Environmental and social risks	Environmental guidelines of the Ministry of Environment and Sustainable Development Terms of reference for EIA and WFP IFC and World Bank Performance Standards Principles of Equator
Disclosure	Global Reporting Initiative (GRI) - Financial Supplement

CHANGES: The signatories of this Protocol reserve the right to suggest new proposals and actions aimed at improving compliance with the object of this Protocol and may be implemented voluntarily or be included in the work plan of the Protocol, upon acceptance of all its Signatories.

PARTICIPATION: The signatories may unilaterally terminate their participation in the Protocol or the Protocol itself, without being obliged to pay compensation, fine or any other expenditure. Notification of these decisions shall be made to the Asobancaria Sustainability Committee.

VALIDITY: This Protocol shall remain in force for five years from the date of its signature.

In agreement with the agreed, the parties committed with the Green Protocol sign the present document in the city of Cartagena de Indias, on June 07, 2012.