

Environmental and Labor Issues: This is a category FI-3 project according to the IIC's Environmental and Social Sustainability Policy because the subprojects in the financial intermediary's current or future portfolio are considered low risk. The subprojects financed with IIC funds will be subject to an environmental review to verify that they are not on the IIC's list of excluded activities and comply with national environmental and occupational safety standards. Scotiabank El Salvador is part of the Bank of Nova Scotia (BNS) Group, which has a corporate social responsibility policy in place to manage the environmental and social risks associated with its financial operations. BNS Group is also a signatory of the Equator Principles, which have become the financial industry standard for environmental and social risk management in project finance. To enable the Borrower to better understand the IIC's requirements, Scotiabank El Salvador will be required to attend the IIC's environmental training workshop for financial intermediaries. Moreover, Scotiabank El Salvador will be required to submit annual environmental reports to the IIC detailing the progress made in the implementation of its environmental and social risk management system for the evaluation of these aspects of its operations.