



Climate Action in Financial Institutions


PRINCIPLES FOR MAINSTREAMING CLIMATE ACTION

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CAF upgrades its Environmental Corporate Program to a fully Integrated Management System for Environment and Social Responsibility

Institution Principle Related Work Stream(s)



PRINCIPLE 4:
**IMPROVE
Climate
Performance**



MAPPING REPORTING
INITIATIVES AND
UNDERSTANDING
IMPLEMENTATION
CHALLENGES

Publication date: 2017

Date Policy/ Tool Established	Additional capacity required (eg: staff, resources, other)	How established?
CAF's Institutional Environmental Management Program (PIGA in Spanish) began in 2007	<ul style="list-style-type: none"> Between now and its creation in 2007, the Program has been operating with up to 3 staff members; With the upgrade to an integrated system, all responsibilities will be handled by the Institutional Unit for Environmental Management (15 executives) and the Logistics and Admin. Services Division (30+ staff members) CAF's Institutional Program for Environmental Management has been operating with an annual budget in the range of USD 200.000 	CAF's Institutional Environmental Management Program resulted from the implementation of CAF' Environmental Strategy.
Monitoring, reporting tools		How Implemented?
<ul style="list-style-type: none"> Spreadsheet model to estimate the GHG inventory between 2009-2015, As of year 2016, CAF has been using GreenCloud to track data and information related to estimation of its carbon footprint, A digital Information Management System is being developed to fully integrate data, information and reporting related to Environment and Social Responsibility metrics. 		2007 - CAF began the development of its Institutional Environmental Management Plan. 2010 - Taking into account the significant increase of its duties, the Plan evolved and transitioned into an Institutional Environmental Management Program 2016 – CAF undertook a new project to establish a fully Integrated Management System for Environment and Social Responsibility

Key Lessons

- Support from top management is essential for the success of any strategy or mechanism that is introduced to improve climate performance within the organization.
- Showing results is of utmost importance for the continuation and growth of initiatives aimed at monitoring GHG emissions in day-to-day operations.

Introduction

The Brundtland Report - *Our Common Future* - was published by the United Nations World Commission on Environment and Development (WCED) in 1987. The Brundtland Commission Report recognised that human resource development in the form of poverty reduction, gender equity, and wealth redistribution was crucial to formulating strategies for environmental conservation. The publication of *Our Common Future* and the work of the WCED laid the groundwork for the convening of the 1992 Earth Summit, which in turn paved the way for the climate change, biodiversity and desertification agendas, as we know them today. Ever since, stakeholders across the world, from academics, to governments, technology developers and business players, have pursued different ways and mechanisms to introduce sustainability issues into their day-to-day operations.

CAF's environmental policy statement is clear, unequivocal and it is documented at the highest level within its Corporate Operations Manual. CAF's Policy-Line on Environment and Climate Change specifies that all operations financed by CAF must conduct a risk assessment in respect to environmental, social and climate issues and comply with CAF's Environmental and Social Safeguards. At the internal level, CAF's upholds its commitment towards sustainability of its operations by means of implementing and maintaining an Environmental Management Program. This

Program is currently undergoing a transition phase to become a fully integrated Management System for Environment and Social Responsibility.

Development and Design

CAF operations are regulated in accordance to its Corporate Operations Manual (i.e. CAF Management Policy), which, among others, highlights the importance of the principles of business eco-efficiency. In addition, CAF has a specific Policy-Line document that addresses Environmental and Climate Change issues, and specifies CAF's commitment in respect to sustainability of its operations.

In practice, these policy-mandates have been translated into action with the implementation of CAF's Institutional Environmental Management Program (PIGA), initiated as a Plan in 2007. As of the time of writing this case study, it is being upgraded to a fully integrated Management System.

In simple terms, the overall objective of the Program is to promote the sustainability of CAF operations and features the following three specific objectives:

1. Improve efficiency of resources,
2. Showcase CAF's commitment in respect to the environment, and
3. Improve environmental conditions of its premises.

The main strategic lines of action are described as follows:

ENVIRONMENTAL MANAGEMENT	AWARENESS AND COMMUNICATION	CERTIFICATION
Mitigation of its GHG emissions	Communication strategy	LEED
Energy efficiency	Capacity building and training	ISO 14001
Solid waste reduction	Voluntary community work	ISO 26000
Sustainable procurement	Corporate sustainability report	Carbon neutral events

Implementation

In 2007, CAF began the development of its Institutional Environmental Management Plan as part of its commitment towards environmental and social responsibility. At the beginning, this Plan started with a very limited scope, namely to address electricity consumption and to assess the conditions of waste handling at its headquarters in Caracas, Venezuela.

By 2009, the Institutional Environmental Management Plan has expanded its scope to handle seven areas of action: 1. Management of Internal Environmental Conditions, 2. Water Savings, 3. Energy Savings, 4. Responsible use of Office Supplies, 5. Comprehensive Waste Management, 6. Zero GHG Emissions and 7. Training, Awareness and Communication. It was around the end of this phase that CAF began monitoring its corporate carbon footprint, using an MS Excel spreadsheet model, developed by an external consultant.

In 2010 and taking into account the significance increase of its duties, the Plan evolved and transitioned into an Institutional Environmental Management Program. Having reached this level of stability and maturity the Program continued to focus on reducing CAF's environmental footprint by optimizing efficiency of both operational and administrative processes.

In October 2016, CAF initiated a process of certification under ISO 14001 (Environmental Management) & ISO 26000 (Guidance on Social Responsibility) with a view to establish a fully Integrated Management System by the end of 2018 (Sistema Institucional de Gestión Ambiental - SIGA)

Experience and Impact

The main results and impacts of this experience can be summarized as follows:

- Task force established in 2016 for the elaboration of CAF Sustainability Report 2015-2017. This report is currently under revision, following the guidance and methodology prescribed by the Global Reporting Initiative (i.e. GRI 101 and GRI 103) and it is to be published by the end of 2017.
- CAF has systematically monitored its carbon footprint since 2009. In the past few years, these greenhouse gases emissions have been in the order of 12 kilo tons CO₂e/year. Between 2015 and 2016 the carbon footprint showed a slight reduction from 12.556 to 11.442 tonCO₂e.
- GHG direct emissions from fuel consumption decreased between 2015 and 2016, with significant reductions of diesel consumption

in the order of -68%. In respect to energy efficiency, CAF accomplished a slight reduction of energy consumption between 2015 and 2016, moving from 5,922.03 kwh/person to 5,674.11 kwh, respectively. Key Performance Indicators to track efficiency measures reveal that the aggregation of glass, plastic, aluminum and paper amounted 2,8 tons in 2015, compared to 7,6 tons in 2016.