

1. **Scope of environmental and social review:** A desk review was performed with internal information regarding the Environmental and Social Management System (“ESMS”), procedures, and environmental policy of Alta Growth Capital to evaluate the internal capacity to manage the environmental and social risks of the activities that will be financed with IDB Invest funds.
2. **Environmental and social classification, and its rationale:** The sub-projects that will be supported have a medium risk potential in that financing will be provided to medium-sized enterprises in sectors that benefit from increased domestic consumption such as: consumer goods, education, health, manufacturing, and financial services. The amount of financing per company will be between US\$10 million and US\$30 million and investments are expected to be made in eight to ten companies. Consequently, in accordance with the IIC Environmental and Social Sustainability Policy, the financial institution was categorized as IF-2. Investments classified as Category A according to the IDB Invest classification will be excluded from financing.
3. **Environmental and social risks and impacts:** This project’s main environmental and social risks are related to Alta Growth Capital’s ability to identify and manage environmental and social risks related to its private capital investment activities. Potential risks related to its principal investment activities include, for example, occupational health and safety risks, air and water pollution, waste management, biodiversity impacts, and noise. Since June 2018, Alta Growth Capital has implemented an ESMS to identify and manage the environmental and social risks of its portfolio. The client has adequate environmental and social procedures that evaluate projects applying the IFC List of Exclusions, applicable national environmental, social, health and safety regulations, and the IFC Performance Standards. The Fund has assigned an environmental and social officer to manage environmental and social risks and impacts. However, it may be necessary to contract outside consultants in the case of high-risk projects.
4. **Mitigation measures:** Alta Growth Capital will be required to ensure that all investments comply with the provisions of the IDB Invest List of Excluded Activities, applicable local laws on environmental and social matters, and IDB Invest’s environmental and social guidelines, including the IFC Performance Standards. So that the client will be better informed regarding IDB Invest requirements, Alta Growth Capital will be required to attend the IDB Invest training workshop on the Management of Environmental and Social Risks for financial intermediaries. IDB Invest requires its FI clients to develop and implement an external communication mechanism to review queries and complaints from any interested party regarding the social and environmental risks and impacts of its operations.
5. **Environmental and Social Action Plan (“ESAP”)**

| Activity | Responsible Party | Completion |
|--|---------------------|---|
| Update the ESMS including obligations to IDB Invest | Alta Growth Capital | Prior to the first disbursement |
| Adjust the list of exclusions to includes all activities on the IDB Invest List of Excluded Activities | Alta Growth Capital | Prior to the first disbursement |
| Send the due environmental and social due diligence report for the first three investments or any high-risk investment prior to disbursement | Alta Growth Capital | Whenever this occurs |
| Attend the IDB Invest training workshop on ESMS for financial intermediaries. | Alta Growth Capital | Panama, June 24-26 2019 or other training to the satisfaction of IDB Invest during 2019 |

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| Develop a human resources policy and procedures and an internal grievance mechanism consistent with Performance Standard 2 | Alta Growth Capital | Six months after the first disbursement. |
| Send an annual environmental and social compliance report to IDB Invest | Alta Growth Capital | Annually |

6. Contact information: For queries regarding projects, including environmental and social questions related to an IDB Invest transaction, please contact the client (see **Investment Summary**), or IDB Invest via e-mail at requestinformation@idbinvest.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism via e-mail at mecanismo@iadb.org or MICI@iadb.org, or by telephone at +1(202) 623-3952.