

1. **Overview of Scope of IDB Invest E&S Review** The environmental and social review of the proposed transaction was carried out through desk research, phone calls with the client, and a portfolio review. Banco Internacional has had various loans from Development Finance Institutions. As such, the client is familiar and has implemented a strong Environmental and Social Management System ("ESMS") and is considered compliant with the Sustainability Policy. Use of proceeds is for SME on-lending for which the direct impacts are generally considered low.
2. **Environmental and Social Categorization and Rationale** The proposed operation is classified as an FI-2 per IDB Invest's Sustainability Policy. Sub-loans to SMEs will average US\$75,000. Category A sub-projects, per IDB's definition, will not be permitted.
3. **Environmental and Social Risks and Impacts** The environmental and social risks are likely to be minimal to moderate. Given the targeted segment, with a focus in commerce and services and some on-lending in agribusiness and manufacturing, the associated risks relate to labor, OHS, and waste management issues.
4. **Mitigation Measures** Internacional will be required to evaluate, manage and monitor environmental and social risks through the application of their existing ESMS. Internacional's ESMS includes an overarching policy, basic categorization guide, due diligence check list (where necessary), legal clauses, and monitoring procedures. Internacional has categorized all operations within their existing portfolio and provides annual supervision and follow up of action plans where identified. Per standard procedures, Internacional will report annually on the implementation of their ESMS and on-lending to SMEs.
5. **E&S Action Plan:** Not required.
6. **Contact Information** For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see Investment Summary tab), or IDB Invest using the email requestinformation@idbinvest.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to mecanismo@iadb.org or MICI@iadb.org, or calling +1(202) 623-3952.