

1. **Scope of Environmental and Social Review.** The environmental and social review was carried out based on information provided by Banagro and interviews with its senior management group.
2. **Environmental and Social Categorization and Rationale.** The sub-projects to be supported have a medium risk potential, such as substitution of annual crops by fruit trees, or drip irrigation systems in horticultural crops and fruit trees. Therefore, per IDB Invest's Environmental and Social Sustainability Policy, the FI has been categorized as FI-2.
3. **Environmental and Social Risks and Impacts.** The main E&S risks of this projects are associated with FI's capacity to identify and manage the E&S risks associated with its lending activities. The potential risks associated with its main lending activities include, among others, working conditions and administration of labor relations of agricultural workers, the use of approved agrochemicals and their proper handling, prevention and mitigation of pollution by liquid and solid waste, or efficient use of water. Banagro is in the process of implementing an environmental and social management system to identify and manage the E&S risks of its portfolio, integrated to its credit approval process. Its systems include E&S procedures under development and has a qualified team trained to manage E&S risks and impacts.
4. **Mitigation Measures.** Banagro will be required to ensure that all loans supported comply with IDB Invest's Exclusion List, applicable E&S local laws, and the IDB Invest Environmental and Social Guidelines. To enable the Borrower to better understand IDB Invest requirements, Banagro attended the IDB Invest Environmental and Social Risk Management training workshop for financial intermediaries. IDB Invest requires that its FI clients develop and implement an External Communication Mechanism to review inquiries or complaints from any interested party regarding the E&S risks and impacts of their operations.
5. **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.