

1. Overview of Scope of IIC Environmental and Social (“E&S”) Review: Internal documentation related to environmental and social procedures and policies were reviewed to evaluate Bozano’s capacity to manage the E&S risk of its investment activities that will be financed with the IIC’s use of funds.

2. E&S Categorization and Rationale: The sub-projects to be supported have a medium risk potential. Therefore, per the IIC’s Environmental and Social Sustainability Policy, the FI has been categorized as FI-2. The fund will be restricted from financing Category A sub-projects.

3. E&S Risks and Impacts: The main E&S risks of this projects are associated with Bozano’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 but are not limited to community health, security and safety including life, fire and structural safety, food safety, ensuring proper handling and storage conditions for the medicine and goods and occupational health and safety of the employees. Bozano has already in place an environmental and social management system to identify and manage the E&S risks of its portfolio including adequate E&S procedures, and has appointed an Social and Environmental Management System (“SEMS”) officer to implement the system.

4. Mitigation Measures: Bozano will be required to ensure that all projects supported comply with the IIC Exclusion List, applicable E&S local laws, and the IIC’s environmental and social guidelines. To enable Bozano to better understand the IIC’s requirements, the SEMS officer will be required to attend the IIC’s E&S Risk Management training workshop for financial intermediaries or any other similar approved by the IIC. The Fund will be required to provide an annual E&S monitoring report to IIC. To ensure the Environmental & Social Management System (“ESMS”) is correctly implemented, IIC will review Bozano's E&S due diligence for the first three investments prior to the Fund's investment. Bozano has in place an External Grievance Mechanism to review inquiries or complaints from any interested party regarding the E&S risks and impacts of their operations.