

1. General information and overview of the scope of the IIC Environmental and Social Review The Inter-American Investment Corporation (IIC) assessed Finanzauto's ability to manage the environmental and social risks of its portfolio, which will be financed with IIC funds. 2. Environmental and social classification and rationale The subprojects to be financed through this operation have low risk potential. Thus, according to the IIC's Environmental and Social Sustainability Policy, this operation has been classified as an FI-3 operation. The loans will average between US\$10,000 and US\$15,000. 3. Environmental and social risks and impacts The principal environmental and social risks of this operation are related to Finanzauto's ability to identify and manage the environmental and social risks associated with its loan activities. Finanzauto does not currently have an environmental and social management system for identifying and managing its portfolio's environmental and social risk. Thus, it will have to develop a system that includes environmental and social procedures as well as assign staff trained to manage the environmental and social risks and impacts of its operations. 4. Mitigation measures Finanzauto must ensure that all loans financed with IIC funds comply with the IIC List of Excluded Activities and with applicable local environmental and social standards. To better understand IIC requirements, staff responsible for implementing Finanzauto's environmental and social management system must take the virtual course on environmental and social risk management offered by the IIC.