

## Environmental and Social Review Summary (“ESRS”)

### Banco Internacional - Senior Loan to Support SME Portfolio in Ecuador / 16034-01

**Original language of the document:** Spanish  
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- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) assessment was carried out during the second quarter of 2026 through the review of relevant documentation and discussions with the Sustainability, Environmental and Social, and Corporate Governance areas. The materials reviewed covered the E&S risk assessment as well as human resources management policies and procedures. Banco Internacional S.A. (“Banco Internacional” or the “Bank”) has been a client of IDB Invest, with satisfactory performance.
- 2. Environmental and Social Categorization and Rationale.** The proposed transaction is classified as FI-3 under IDB Invest’s Environmental and Social Sustainability Policy. The subprojects to be supported are expected to entail low risk; that is, sub-loans granted by Banco Internacional are anticipated to primarily finance activities in the commerce and service sectors, which generally have no or minimal adverse environmental and social impacts. Sub-loans financed with IDB Invest funds will be exclusively directed to Small and Medium-Sized Enterprises (“SMEs”).

The transaction is considered aligned with the Paris Agreement, based on the analysis conducted in accordance with the IDB Group’s Paris Alignment Implementation Approach.

IDB Invest funds may not be used by Banco Internacional to finance Category A (high-risk) subprojects, as defined by IDB Invest, or projects included in IDB Invest’s Exclusion List.

- 3. Environmental and Social Risks and Impacts.** The main E&S risks of this project are related to Banco Internacional’s capacity to identify and manage the environmental and social risks associated with its lending activities. Potential risks linked to its core lending operations include occupational health and safety, as well as pollution prevention and mitigation.

The SME portfolio is predominantly composed of the following sectors: commerce (25%), services (17%), manufacturing (9%), and agriculture, livestock, forestry, and fisheries (8%). The average loan size is US\$152,000, with a tenor ranging from 1 to 3 years. The SME segment represents approximately 14% of the total portfolio.

According to the Annual Report – Integrated Report 2025, the Bank was recognized as the best company to work for in Ecuador and ranked #20 in the Latin America workplace climate ranking (Top 100 companies), according to Great Place to Work.

- 4. Mitigation Measures.** Banco Internacional has an Environmental and Social Management System (“ESMS”), last updated in June 2023. The ESMS includes compliance with applicable environmental and social regulations, as well as the International Finance Corporation (“IFC”) Performance Standards. The Bank publishes an Integrated Annual Report following Global Reporting Initiative (“GRI”) standards, aligned with the 2030 Agenda and the Sustainability Accounting Standards Board (“SASB”). Since 2022, the Bank has had a Sustainability Strategic Plan that includes a materiality assessment. The ESMS applies to the entire commercial portfolio, which includes both the SME and corporate portfolios.

Banco Internacional shall ensure that all SME loans under this transaction comply with the provisions set forth in [IDB Invest's Exclusion List](#) and applicable local environmental and social laws. To enhance the Borrower's understanding of IDB Invest's requirements, Banco Internacional personnel shall complete IDB Invest's online training course on Environmental and Social Risk Management.<sup>1</sup>

5. **Environmental and Social Action Plan ("ESAP").** N/A.
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 [divulgacionpublica@iadb.org](mailto:divulgacionpublica@iadb.org). As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to [mecanismo@iadb.org](mailto:mecanismo@iadb.org) or [MICI@iadb.org](mailto:MICI@iadb.org), or calling +1(202) 623-3952.

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<sup>1</sup> The Environmental and Social Management System: A Business Opportunity (<https://knowledge.iadb.org/en/course/environmental-and-social-management-system-business-opportunity>) available year-round, or Environmental and Social Management: ESMS in Practice (<https://knowledge.iadb.org/en/course/environmental-and-social-management-esms-practice>) next version available in June 2026.