# Environmental and Social Review Summary ("ESRS")

## Génesis GT: Senior Loan for MSMEs and Inclusive Portfolio in Guatemala / 16079-01

**Original language of the document:** Spanish
**Issuance date:** September 2026

1. **Scope of Environmental and Social Review**. The Environmental and Social ("E&S") analysis of the proposed transaction consisted of a review of relevant documentation, including policies, plans and procedures, as well as the portfolio of Fundación Génesis Empresarial ("Génesis"), hereinafter referred to as the Financial Intermediary ("FI"), complemented by sustained communications with FI representatives.

2. **Environmental and Social Categorization and Rationale**. The proposed transaction has been classified as IF-3, in accordance with IDB Invest's Sustainability Policy, given that the financing will be used to support the expansion of the FI's portfolio of micro, small and medium-sized enterprises ("MSMEs") in Guatemala. This portfolio is mainly concentrated in the microenterprise segment. Considering the nature of the financial products and economic activities financed, it is expected that the subloans backed by the transaction will be used for activities with low environmental and social risk.

   Based on the measurement criteria used by Fundación Génesis Empresarial (IF), the clients served register average monthly sales of approximately US$1,744. The average amount of primary loans granted is approximately US$915, with an average term of 17 months, which can be reduced by the early refinancing program for clients with a very good credit record. According to the classification of the institution's productive loans (FI), the sectors with the highest participation within the portfolio are Commerce (62.0%), Agricultural Production (17.4%), Livestock Production (8.5%), Services (8.4%) and Industrial and Artisanal Production (3.6%).

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

3. **Environmental and Social Risks and Impacts**. The main E&S risks of this transaction are associated with the FI's ability to identify and manage risks related to its financing activities. Considering the expected profile of the subloans financed and the intended destination of the resources, such risks are expected to be low and primarily related to labor and working conditions, occupational health and safety, waste management, and health and safety of communities. Overall, the environmental and social risk associated with the financed portfolio is considered low.

4. **Mitigation Measures**. The FI has an Environmental and Social Risk Management Policy and an Environmental and Social Management System ("ESMS") that, together, establish the principles, procedures, and responsibilities to identify, assess, manage, and monitor environmental and social risks associated with its financing activities, as well as verify compliance with applicable national environmental, social, and labor legislation and incorporate, initially, considerations related to climate change.

   Likewise, the FI has human resources policies and procedures supported by an Internal Order, Hygiene and Safety Regulation and a Code of Ethics and Institutional Conduct, which establish guidelines for working and working conditions, the ethical conduct of employees and occupational health and safety.

These instruments also include internal mechanisms for the submission of complaints and denunciations related to possible breaches of the Code of Ethics, as well as for their investigation and, when appropriate, the application of disciplinary measures.

The FI shall ensure that all subloans belonging to the asset class (MSME portfolio) financed under this transaction comply with IDB Invest's Exclusion List and with applicable local E&S laws and regulations. In addition, the FI's E&S Risk Officer shall complete online training on E&S risk management provided by IDB Invest.

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. 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.