

Environmental and Social Review Summary (“ESRS”)

BDC Peru Sustainability-Linked Debt Fund in Peru / 16334-01

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- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) review of the proposed transaction was conducted during August and September 2026 and consisted of an analysis of the relevant processes, policies, and procedures of the Fund. Virtual meetings were also held with the team of BD Capital Sociedad Administradora de Fondos S.A.C. (“BD Capital” or the “Fund Manager”), to address matters related to governance, organizational structure, and the potential investment portfolio, among others.
- 2. Environmental and Social Categorization and Rationale.** The proposed transaction has been classified as IF-2 in accordance with IDB Invest’s E&S Sustainability Policy, given that the investments made by the Fund are expected to present moderate E&S risks and impacts that are generally site-specific, largely reversible, and capable of being effectively managed through the implementation of appropriate mitigation measures.

The Performance Standards (“PS”) applicable to the transaction are: (i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; and (ii) PS2: Labor and Working Conditions. The Fund may not use IDB Invest resources to finance subprojects classified as Category A (high risk), as defined by IDB Invest, or those involving activities included on IDB Invest’s Exclusion List.

The Fund’s investments will focus on private companies operating in Peru, primarily export-oriented companies in the corporate and *mid-market* segments. The investment strategy contemplates broad sector diversification¹, with no predominant investment sector, and includes, for illustrative and non-exhaustive purposes, sectors such as social housing, food and beverages, manufacturing, education, agriculture, infrastructure, and tourism. The expected investment size ranges from approximately US\$5 million to US\$15 million per transaction.

The transaction is considered aligned with the Paris Agreement, based on an analysis conducted in accordance with the IDB Group Paris Alignment Implementation Approach and taking into account the relevant actions in the Environmental and Social Action Plan.

- 3. Environmental and Social Risks and Impacts.** The main E&S risks and impacts of the transaction relate to the Fund’s capacity to identify, assess, and manage the E&S risks associated with its investment activities. Based on the sectors and companies in which investments are expected to be made, the subprojects are anticipated to present moderate E&S risks and impacts, which may include issues related to occupational health and safety, labor rights, waste generation and management, community health and safety, climate change, land-use changes, and supply-chain risks, among others. These risks and impacts will be managed through BD Capital’s and the Fund’s existing E&S procedures, strengthened by the measures described in Section 5 of this document.
- 4. Mitigation Measures.** BD Capital has an approved Responsible Investment Policy and has prepared a draft Environmental and Social Management System (“ESMS”) Manual for the Fund that incorporates

¹ Power generation projects are not contemplated among the Fund’s eligible investments.

most of the key structural elements for managing the environmental, social, and climate risks associated with its investments. It has also designated a member of its team as responsible for developing and implementing the Fund's ESMS. This draft must be strengthened to fully align with the International Finance Corporation ("IFC") Guidance Note² on Financial Intermediaries. Among other matters, the revised version must define the resources, responsibilities, and competencies required to manage the E&S risks of the investments, including those of greater complexity that may require specialized expertise. It must also strengthen the existing procedures and forms and develop additional ones as needed, both to identify and assess sectoral and contextual E&S risks and to assess and monitor compliance with the IFC Performance Standards applicable to each investment, according to its nature, risks, and E&S impact.

BD Capital has Human Resources policies and procedures that incorporate the principles of equal opportunity, non-discrimination, and the prevention of workplace harassment and violence. BD Capital also has internal mechanisms that allow its employees to submit workplace-related inquiries, grievances, or complaints confidentially.

The Fund must ensure that all financed investments comply with IDB Invest's Exclusion List, applicable local E&S laws, and the IFC Performance Standards applicable to each investment. The Fund will also implement the actions set forth in the Environmental and Social Action Plan ("ESAP"), described in Section 5 of this document.

5. Environmental and Social Action Plan ("ESAP"):

#	Action	Deliverable	Delivery Date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts			
Environmental and Social Assessment and Management System			
1	1.1 Strengthen the existing processes, forms, and procedures, and develop those necessary for the proper application and monitoring of the IFC Performance Standards in the Fund's investments. Include and implement IDB Invest's Exclusion List.	Updated ESMS	Before the Fund makes its first investment
	1.2 Develop and incorporate into the ESMS objective, risk-based criteria applicable to Category B investments to determine when external consultants with experience applying the IFC PSs will be required during E&S due diligence and investment monitoring. These criteria must consider, among other factors, the financed company's sector of economic activity and potentially complex E&S risks and impacts that may require specialized expertise, such as biodiversity or sensitive social matters. Also develop standard terms of reference ("TOR") for hiring such consultants.	Updated ESMS, including criteria for engaging external consultants and standard TOR.	Before the Fund makes its first investment
	1.3 Submit to IDB Invest the first three Environmental and Social Due Diligence Reports ("ESDDRs"), or their equivalent, for such investments, to confirm the E&S risk categorization and review the proposed E&S action plan.	First three ESDDRs	When each ESDDR becomes available
External Communications			
2	Maintain and, as appropriate, strengthen a procedure to manage public comments, concerns, complaints, and requests for information related to E&S matters, establishing intake channels and the applicable assessment, recording, follow-up, and response process.	Evidence of implementation	As part of the ESCR ³

² IFC's Guidance Note on Financial Intermediaries, available ([Here](#)).

³ ESMR stands for Environmental and Social Monitoring Report, which shall be submitted periodically to IDB Invest.

#	Action	Deliverable	Delivery Date
Organizational Capacity and Competency			
3	Develop and implement a periodic training program for BD Capital personnel, including senior management, on the operation of the ESMS and application of the IFC Performance Standards.	i) Training Program ii) Evidence of training	i) and ii) Within 6 months after the commitment letter signing date; and ii) Thereafter, as part of the ESCR
4	The E&S risk officer designated for the Fund, the analysts, and the Fund's investment officers must complete the online course ⁴ on environmental and social risk management offered by IDB Invest.	Course completion certificate	i) Within 6 months after the commitment letter signing date ii) As part of the ESCR whenever new personnel join the E&S team

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.

⁴ Registration is available at the following link: [ESMS in Practice](#).