

Environmental and Social Review Summary (“ESRS”)

ImpactA Global Partners I SCSp - ImpactA Global Emerging Markets Sustainable Infrastructure Fund / 14890-01 – Regional

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- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) review of the proposed transaction was carried out through desk review, virtual meetings with the client, and an assessment and analysis of the Fund’s environmental and social policies and procedures, including human resources policies, grievance mechanisms, and diversity and inclusion. The Fund is a new client for IDB Invest.
- 2. Environmental and Social Categorization and Rationale.** The proposed transaction is classified as FI-2 per IIC’s Environmental and Social Sustainability Policy. The Fund’s future portfolio is expected to consist of business activities with limited potential adverse environmental or social risks or impacts that are few, generally site-specific, largely reversible, and readily addressed through mitigation measures. It may also include a minimal number of business activities with potential adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented.

The Fund’s underlying loans will focus on renewable energy, climate transition (including clean mobility), health, and water and sanitation services. The Fund estimates investing in approximately 8 to 10 projects in LAC, with ticket sizes between approximately US\$4 million to US\$30 million and up to 10 years of tenure. The Fund’s preliminary pipeline includes opportunities in several LAC countries, including, but not limited to, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, Honduras, Panama, Peru, and Uruguay.

Category A (High Risk) sub-projects, per IDB Invest’s definition, will be barred, as well as those sub-projects involving activities included in IDB Invest’s Exclusion List.

The transaction is considered Paris Agreement-aligned based on the analysis conducted in accordance with the IDB Group Paris Alignment Implementation Approach. This analysis considered the Fund’s commitment to enhancing its Impact, Environmental, Social Management System (“ESMS”) by including procedures to analyze climate risk in its portfolio.

- 3. Environmental and Social Risks and Impacts.** The main E&S risks of this project are associated with the Fund’s capacity to identify and manage the E&S risks related to its financing activities. The potential environmental, social, health, and safety risks associated with its primary financing activities are likely to include issues such as biodiversity impacts, occupational health and safety, land use change, labor rights, waste generation, among others.

The E&S impacts and risks associated with the subprojects are considered moderate in nature.

- 4. Mitigation Measures.** The Fund has an Exclusion List, an ESMS, an Environmental, Social and Governance (“ESG”) Policy, and an ESG screening tool designed following the IFC Performance Standards, Equator Principles, EDFI harmonizing principles, and Principal Adverse Impacts (“PAIs”), and the fund aims to invest in line with the 2x challenge. Each transaction undergoes early screening for potential ESG risks, potential positive impact (measured by SDGs), and a credit risk assessment to ensure project’s bankability. The Fund’s investment adviser has an external grievance mechanism, an

emergency response plan, and human resources policies such as diversity and inclusion, flexible working policy, health and safety policy, disciplinary policy, and grievance policy.

The Fund’s investment adviser has a staff of 13 people of which eight are females and 77% are in management positions.

The Fund will ensure that all its investments in LAC comply with IDB Invest’s Exclusion List, local laws and regulations, and the IFC’s Performance Standards (as applicable). The Fund will enhance its ESMS in accordance with the environmental and social action plan (“ESAP”) plan detailed in section 5 and implement procedures to assess climate risks of its portfolio.

5. Environmental and Social Action Plan (“ESAP”):

Item	Action	Deliverable	Completion Date
PS1: Environmental and Social Management System (ESMS)			
1	<p>Develop an Early screening and pre-categorization tool, which includes pre-categorization, rationale of pre-categorization, and an initial assessment of contextual risks.</p> <p>Apply the pre-categorization tool to all new leads and share results with IDB Invest before performing any detailed due diligence to confirm no category A transactions are included in the pipeline.</p>	<p>1. Pre-categorization Tool</p> <p>2. Pre-categorization of every transaction opportunity in Latin America and the Caribbean</p>	<p>1. Before first disbursement</p> <p>2. When each transaction opportunity is evaluated</p>
2	<p>Enhance the current ESMS to align it with IDB Invest requirements¹ and IFC Interpretation Note for Financial Intermediaries² and implement it across the entire investment portfolio. IFC Performance Standards will be applied in investment with ticket size equal or greater than US\$ 5 million. The ESMS will include IDB Invest exclusion list, forms to screen compliance with local law in each country of operation and the early screening/ pre-categorization form.</p>	ESMS strengthened	Six months after first disbursement
3	<p>Provide the E&S due diligence reports of the first three investments done (with ticket size greater than US\$ 5 million) after the implementation of the enhanced ESMS</p>	Environmental and Social Due Diligence Reports including	As soon as ESDD report becomes available and prior to final

¹ IDB Invest [Sustainability Policy](#) and [Exclusion List](#)

² [IFC Interpretation note on Financial Intermediaries](#)

Item	Action	Deliverable	Completion Date
	to verify: (i) the E&S categorization and (ii) the proposed action plan	Environmental and Social Action Plans	investment approval by the Fund's Investment Committee
PS1: Climate Risk Management			
4	Develop procedures to systematically identify and mitigate climate physical risk in its investment portfolio. These procedures will be fully integrated into the ESMS.	Climate Risk Management Procedure	Six months after first disbursement
PS1: Capacity building and training			
5	Maintain at least one person to oversee the implementation of the ESMS and designate as the E&S Coordinator for Latin America and the Caribbean.	letter of appointment and CV of appointed E&S Officer to oversee ESMS	Before first disbursement.
6	Conduct E&S enhanced due diligence, with support of external environmental and social consultants, of higher risk Category B subprojects or those with potentially complex environmental and social components (i.e., biodiversity, social issues, etc.).	<ol style="list-style-type: none"> 1. Term of reference for external consultant 2. Due diligence reports 	<ol style="list-style-type: none"> 1. Two months after first disbursement 2. Every time a ESDD report becomes available for a Category B+ project.
7	Carry out comprehensive training sessions for the personnel in charge of implementing the ESMS (including members of the investment committee).	Training materials, list of participants	Eight months after first disbursement
PS2: Labor and Working Conditions, Supply chain			
8	Develop and implement a procedure to address labor risks in the supply chain of solar panels in solar energy subprojects.	Approved procedure	Six months after first disbursement

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.