

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

### Payce Digital – Senior Loan Supporting Financial Inclusion /15065-01 – Barbados

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- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) assessment of the proposed transaction consisted of reviewing documentation (policies, plans, and procedures) and Cave Shepherd Card (Barbados) Inc. (“CSCBI”) credit portfolio, as well as communications with representatives of the institution. CSCBI is a new client for IDB Invest.
- 2. Environmental and Social Categorization and Rationale.** The proposed transaction is classified as FI-3 according to the IDB Invest Sustainability Policy. The financing will support CSCBI’s funding program to provide credit access to individuals who are traditionally underbanked in Barbados. Consequently, it is anticipated that the subprojects associated with this financing will have minimal or no adverse E&S risks and impacts.

Currently, the majority of CSCBI’s cardholders maintain credit limits that predominantly fall within a range extending up to US\$2,500. The Bank will not finance subprojects classified as category A (high risk) according to IDB Invest’s definition, nor those involving activities included in IDB Invest’s exclusion list.

The transaction is considered aligned with the Paris Agreement, based on an analysis conducted following the IDB Group Paris Alignment Implementation Approach.

- 3. Environmental and Social Risks and Impacts:** The main E&S risks of this transaction are associated with CSCBI’s capacity to identify and manage the risks associated with its financing activities. These E&S risks may be related to labor rights, waste generation, climate change, among others. The level of E&S risk associated with the subprojects is considered low.
- 4. Mitigation Measures:** As part of the credit process for issuing credit cards, CSCBI conducts a review of compliance with applicable country’s legal regulations. CSCBI has Human Resources policies in place, such as Code of Ethics and Business Conduct Policy and Sexual harassment policy, which uphold the principles of non-discrimination, equal opportunities, safety and well-being. These policies also include a grievance mechanism for employees.

CSCBI shall ensure that all sub-loans funded by this financing comply with IDB Invest’s exclusion list and applicable local regulations. Additionally, CSCBI will complete the online training provided by IDB Invest for E&S risk management and will designate a staff member responsible for overseeing E&S matters.

- 5. Environmental and Social Action Plan:** 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.