

Environmental and Social Review Summary (“ESRS”) Compartamos Financiera S.A. – Compartamos Social Bonds / 14920-01 – Peru

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- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) assessment of the proposed transaction consisted in reviewing documentation (policies, plans, and procedures) and Compartamos Financiera S.A.’s (“Compartamos” or the “Financial Institution”) portfolio, as well as communications with representatives of the institution. Compartamos is a new client for IDB Invest; however, the Financial Institution is part of Genera, S.A.B. DE C.V., with which IDB Invest maintains financing lines through other financial institutions belonging to this group.
- 2. Environmental and Social Categorization and Rationale.** The proposed transaction is classified as IF-3 according to the IIC Sustainability Policy. The financing will provide support exclusively to Micro and Small Enterprises (“MSEs”) and MSEs led and/or owned by women, and it is anticipated that the subloans granted by Compartamos will be mainly related to trade and services that mostly do not have adverse E&S impacts or these are minimal.

Currently, the underlying loans of the portfolio of (i) microenterprises have an average amount of US\$588.00 and an average term of seven months; and (ii) small businesses have an average amount of US\$6,885.00 and an average term of 16 months.

The issuance 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 Compartamos’ capacity to identify and manage the risks associated with its financing activities. These E&S risks may be related to worker health and safety, waste generation, hazardous materials management, community health and safety, labor rights, climate change, among others. The level of E&S risk associated with the subprojects is considered low.
- 4. Mitigation Measures.** Compartamos has a sustainability policy that includes, among others, guidelines for environmental, social, and corporate governance management. It also has an exclusion list and implements a process for verifying compliance with applicable local legislation.

Compartamos has a Sustainability Committee that is responsible for coordinating the implementation of the environmental policy and the sustainability strategy. Compartamos has Human Resources policies, which contemplate the principles of non-discrimination and equal opportunities and a complaint mechanism for its employees.

Compartamos shall ensure that all subprojects funded with the Social Bonds comply with IDB Invest’s exclusion list, the local applicable E&S regulations, and the current sustainability policy of the Financial Institution.

- 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.