

2023 GRI Index



GENERAL DISCLOSURES

For the development of this GRI Content Index, the GRI reporting principles, highlighted in GRI 101: Foundation 2016, have been applied. This annex specifies each of the GRI Standards used and lists all disclosures reported. The publication year for all standards in the GRI Content Index is 2016, excluding GRI 303, GRI 403 (version published in 2018 is used), and GRI 306 (version published in 2020 is used). IDB Invest has reported with reference to the GRI 2016 Standards for fiscal year 2023. The reporting period of the sustainability update covers January 2023 to June 2024; however, all data is presented on a calendar year basis of January 2023 through to December 2023.

Disclosure	2023 Response
Name of the organization	Inter-American Investment Corporation (hereafter referred to as IDB Invest).
102-1	
Activities, brands, products, and services	As part of the Inter-American Development Bank (IDB) Group, IDB Invest is committed to achieving inclusive and sustainable growth in Latin America and the Caribbean. As the private sector arm of the IDB Group, IDB Invest's focus is on catalyzing financing for the establishment, expansion, and modernization of private enterprises in the region as well as state-owned enterprises that do not benefit from a sovereign guarantee.
102-2	IDB Invest provides, through its development operations, financing solutions in different forms. The objectives of these investments include improving different sectors in the region. In addition to financing, IDB Invest provides financial and technical advisory services and knowledge .
Location of headquarters	Washington, D.C., United States.
102-3	
Location of operations	IDB Invest has offices in each of its 26 regional developing member countries .
102-4	These country offices play an essential role in the identification and preparation of new projects and the execution and evaluation of ongoing work. For information on lending volumes by country, please refer to our 2023 Information Statements .
Ownership and legal form	IDB Invest is an international organization established in 1986 under the Agreement Establishing the Inter-American Investment Corporation (the Establishing Agreement) and began operations in 1989. It is a legally separate and distinct member of the IDB Group, which also includes the Inter-American Development Bank and the Multilateral Investment Fund (commercially known as IDB Lab).
102-5	IDB Invest has a separate governance structure, including a separate Board of Governors, Board of Executive Directors, management, and staff. IDB Invest is owned by its member countries .
Markets served	As a multilateral development bank (MDB), we have a responsibility to be sustainable and make returns on our investments. We also have a responsibility to make a difference and to contribute to economic growth and social progress in Latin America and the Caribbean.
102-6	We work with private sector companies across strategic sectors . To be eligible for IDB Invest funding, a project must meet the financing criteria . IDB Invest offers the following financial and non-financial solutions to its clients.
The scale of the organization	As of December 31, 2023, IDB Invest employs 455 people. In 2023, IDB Invest recorded a net income of \$163.9 million.
102-7	In 2023, IDB Invest's gross development-related investments (excluding guarantees) amounted to \$8.2 billion (before the allowance for credit losses). Total borrowings amounted to \$7.3 billion and total capital amounted to \$3.2 billion.

Disclosure	2023 Response
Information on employees and other workers 102-8	Refer to page 61 of IDB Invest 2023 Annual Report .
Supply chain 102-9	The IDB Group does not manage the purchases and contracts derived from the projects it finances. Project implementation and administration are the responsibility of borrowers. However, IDB Invest does review procurement and contracting to ensure compliance with its policies and procedures.
Significant changes to the organization and its supply chain 102-10	In 2023, there were two changes in IDB Invest’s senior management team: <ul style="list-style-type: none"> • Gabriel Todt de Azevedo, former Managing Director of the Environment, Social, and Corporate Governance Division, was appointed Chief Strategy Officer (a.i.). • Aitor Ezcurra Unda, former Managing Director of the Corporates Division, was appointed Chief Investment Officer (a.i.). For more details regarding these changes, please refer to page 61 of our 2023 Annual Report .
Precautionary principle or approach 102-11	The purpose of the IDB Invest Environmental and Social Sustainability Policy (Sustainability Policy) is to enhance the environmental and social sustainability of the investment projects financed by IDB Invest through the application of robust environmental and social risk management standards. The Sustainability Policy applies to all activities undertaken and operations financed by IDB Invest, including direct and indirect financing and technical assistance services. IDB Invest will not knowingly finance – directly, or indirectly through Financial Institutions – projects involved in the production, trade, or use of the products, substances, or activities listed in our Exclusion List. Additional exclusions may apply in the context of a specific operation.
External initiatives 102-12	As an MDB, IDB Invest partners with a variety of stakeholders and is involved in a wide range of external initiatives, including: <ul style="list-style-type: none"> • Sustainable Development Goals (SDGs) • Operating Principles for Impact Management

Disclosure	2023 Response
Membership of associations <u>102-13</u>	<u>Financial Alliance for Women</u> <u>SME Finance Forum</u> <u>International Corporate Governance Network (ICGN)</u> <u>Chief (women’s leadership network)</u> <u>Global Impact Investing Network (GIIN) Investors’ Council</u> <u>Impact Taskforce (ITF)</u> <u>Instituto Brasileiro de Governança Corporativa (IBGC)</u> <u>Corporate Governance Development Framework (CGDF)</u> <u>OECD-Latin America Roundtable on Corporate Governance</u> <u>EDGE</u> <u>Global Private Capital Association (GPCA)</u> <u>Federación Latinoamericana de Bancos (FELABAN)</u> <u>Institute of International Finance (IIF)</u> <u>YPO</u> <u>Global Emerging Markets (GEMs) Risk Database Consortium</u> <u>International Association of Credit Portfolio Managers (IACPM)</u> <u>Harmonized Indicators for Private Sector Operations (HIPSO)</u>
Membership of associations (cont.) <u>102-13</u>	<u>Private Sector Development Research Network (PSDRN)</u> <u>Circular Economy Coalition for Latin America and the Caribbean</u> <u>International Financial Institutions Anti-Corruption Task Force</u> <u>Agreement for Mutual Enforcement of Debarment Decisions</u> <u>MDB Working Group on Managing for Development Results</u>
Statement from senior decision-maker <u>102-14</u>	Please refer to the Welcome message from our Chief Executive Officer (CEO) on page 2 of our <u>Sustainability Update 2023/24</u> .

Disclosure	2023 Response
Values, principles, standards, and norms of behavior 102-16	<p>IDB Invest upholds the highest standards of integrity, transparency, and accountability. We require this of our clients, and we require it from ourselves.</p> <p>Please refer to the integrity, transparency, and accountability site for detailed information of our principles and how we apply them across our operations.</p> <p>During 2023, IDB Invest continued to make progress on implementing the Access to Information Policy, involving different IDB Invest teams, reaffirming our institutional commitment to improve transparency in our activities and strengthen the institution's governance.</p> <p>Reflecting IDB Invest's efforts, we were ranked 5th among 21 DFIs, in Publish What You Fund's 2023 DFI Transparency Index.</p>
Mechanisms for advice and concerns about ethics 102-17	<p>As part of the IDB Group, IDB Invest has several authorities and bodies for employees to report and seek advice on integrity- and ethics-related issues, and with whom employees cooperate in investigations, audits, or other inquiries.</p> <ul style="list-style-type: none"> • Reports of suspected misconduct by IDB Invest employees are directed to the Office of Ethics. • Reports of suspected so-called Prohibited Practices (including fraud and corruption) in IDB Group-financed activities by external parties are directed to the Office of Institutional Integrity (OII). • OII and the Office of Ethics have specialized staff and resources that independently process and review the complaints received under the applicable procedures. <p>Several other IDB Group authorities may also receive reports on matters related to their areas or may be involved in investigations and otherwise in reviewing IDB Invest's activities. These authorities include, but are not limited to, the employee's supervisors, the supervisors of any employee subject to allegation (see below), the Human Resources Department, the Office of the Executive Auditor, the Sanctions Committee, the Administrative Tribunal, the Independent Consultation and Investigation Mechanism (ICIM), and the Conduct Committee of the Board of Executive Directors (each within its respective jurisdiction).</p> <p>The IDB Group's Whistleblower Reporting and Protection Policy expressly prohibits acts of retaliation against employees and external parties that report allegations of Prohibited Practices or cooperate with IDB Group authorities in the context of investigations, audits, or other inquiries.</p> <p>A link to submit an allegation or report related to fraud or corruption is available to the general public on the IDB Group's website.</p>
Governance structure 102-18	<p>IDB Invest has a Board of Governors, a Board of Executive Directors, a Chairperson of the Board of Executive Directors, and a CEO, also referred to as the General Manager. The powers of IDB Invest are vested in the Board of Governors, which has delegated to the Board of Executive Directors all its powers except certain strategic matters reserved to the Governors under the Establishing Agreement.</p> <p>Please refer to IDB Invest Corporate Structure for the full list of members of the senior management team, Board of Executive Directors, and Board of Governors and their roles and responsibilities.</p>
Executive-level responsibility for economic, environmental, and social topics 102-20	<p>The Chief Strategy Officer of IDB Invest leads the development and implementation of the institution's corporate strategy and drives high-priority initiatives with upstream interventions. Managing a team of cross-functional experts in development effectiveness, strategic planning and knowledge, ESG, advisory services, communication, corporate affairs, and transparency, they advance the strategic roadmap of the organization in line with its future vision.</p> <p>The Chief Strategy Officer is also a member of the Senior Management team.</p>

Disclosure	2023 Response
Consulting stakeholders on economic, environmental, and social topics 102-21	<p>Community engagement is a key element of enhancing the environmental and social sustainability of investments. IDB Invest promotes open, transparent, and inclusive engagement between clients and stakeholders.</p> <p>When IDB Invest updates its policies, it does so through a stakeholder engagement and consultation process to gather input from actors, including civil society, practitioners, and academia.</p> <p>The objective of the public consultation is to establish a transparent and constructive dialogue that allows IDB Invest to listen to the suggestions of interested parties and allow everyone to contribute to improving the policy.</p>
Composition of the highest governance body and its committees 102-22	<p>The Board of Executive Directors is composed of the following: i) one Executive Director appointed by the member country having the largest number of shares in IDB Invest (as of the date of this Information Statement, this is the United States); ii) nine Executive Directors elected by the Governors from the regional developing member countries; and iii) three Executive Directors elected by the Governors from the remaining member countries. The Agreement Establishing the Inter-American Investment Corporation was amended on September 24, 2024 to add one more Executive Director position to represent the remaining member countries.</p> <p>Please refer to the Board of Executive Directors for the composition of the Board and its role.</p> <p>The Board of Executive Directors has the following committees:</p> <ol style="list-style-type: none"> 1. The Executive Committee 2. The Audit and Risk Oversight Committee 3. The Committee of the Board of Executive Directors 4. The Special Ad Hoc Committee for Problem Projects <p>In addition, there are two joint committees of the IDB Invest Board of Executive Directors and the IDB Board of Executive Directors: the Steering Committee and the Conduct Committee. The role of each committee is determined under its terms of reference.</p>
Chair of the highest governance body 102-23	<p>The President of IDB is the ex officio Chairperson of the Board of Executive Directors of IDB Invest and presides over meetings of the Board of Executive Directors, but does not have the right to vote except in the case of a tie.</p> <p>The Chairperson of the Board of Executive Directors may participate in, but may not vote at, meetings of the Board of Governors.</p>
Nominating and selecting the highest governance body 102-24	<p>The nomination and election of the members of the Board of Executive Directors of IDB Invest are conducted based on the guidelines contained in the Charter for the Election of Executive Directors.</p> <p>Following these guidelines, the Executive Directors are elected by the Governors from the country with the largest number of shares in IDB Invest, the regional developing member countries, and the remaining member countries.</p>
Role of the highest governance body in setting purpose, values, and strategy 102-26	<p>The Board of Executive Directors is the governance body responsible for defining IDB Invest's financial, operational, and development priorities. In that role, with the support of the Senior Management team, the Board of Executive Directors defines IDB Invest's Business Plans for three-year periods. The organizational priorities set by the Board of Executive Directors through the Business Plan are aimed at pursuing IDB Invest's purpose and mission of promoting economic development through the private sector.</p> <p>To monitor the level of compliance with the Business Plan, the Senior Management team presents quarterly reports to the Board of Executive Directors. Based on these reports, the Board, if necessary, adjusts and updates the Business Plan, to adapt it to the changes in the economic, financial, operational, social, and environmental conditions that can impact IDB Invest's operations and its ability to fulfill its purpose and mission.</p>

Disclosure	2023 Response
Highest governance body's role in sustainability reporting 102-32	The Chief Strategy Officer leads all areas related to sustainable value and inclusive impact of IDB Invest's operations. The Department of Strategy and Development includes an ESG Division and an Advisory Division that leads the development of sustainability reporting, ensuring that all material topics are covered. Our sustainability reports are reviewed and approved by IDB Invest's Senior Management team.
List of stakeholder groups 102-40	IDB Invest engages many stakeholders continually. Our main stakeholders include our member countries, clients, and beneficiaries of our development finance projects, others in the communities where we support interventions, civil society, investors, other bilateral and multilateral development agencies and banks, and our employees.
Collective bargaining agreements 102-41	IDB Group employees are not covered by a collective bargaining agreement. Nevertheless, the IDB Group recognizes the right of staff members to associate, has a long-established Staff Association, and generally supports the formation of employee-led associations and groups. The Staff Association is an independent entity committed to creating an enabling work environment and promoting employee welfare at headquarters and in country offices. As of the end of 2023, a total of 223 IDB Invest employees were members of the Staff Association.
Identifying and selecting stakeholders 102-42	The impact that IDB Invest has in its member countries, and particularly in the communities influenced by each of the projects it finances, is to a large extent based on the identification and selection of the stakeholders with which IDB Invest collaborates. At IDB Invest, meaningful stakeholder engagement is a continuous and iterative element of each project cycle and is present from its earliest stages. This engagement is the basis for a constructive relationship with local communities and other groups involved in projects and is a tool for tapping into local knowledge and perspectives that need to be considered in the project. More information below. As a multilateral financial institution that promotes economic development through the private sector, IDB Invest collaborates with various public and private sector entities. It also interacts regularly with its member countries and key local, national, and regional business associations as a conduit for identifying business opportunities that have an impact on the region's development.
Approach to stakeholder engagement 102-43	Please refer to pages 58-73 of the Implementation Manual for a detailed approach to IDB Invest's approach to stakeholder engagement. In 2019, IDB Invest launched a joint publication with other Multilateral Financial Institutions, focused on meaningful stakeholder engagement , which includes a guidance note to meaningfully involve stakeholders in project design and implementation.
Key topics and concerns raised 102-44	Some of the key topics discussed with stakeholders are related to its operations, policies, and initiatives. Some of them include topics related to the implementation of the IDB Invest Environmental and Social Sustainability Policy, its Implementation Manual , and information specific to projects financed by IDB Invest. IDB Invest shares information with stakeholders as established by the Access to Information Policy , published in 2019.
Entities included in the consolidated financial statements 102-45	IDB Invest does not wholly own any entity or subsidiary; therefore, IDB Invest presents standalone financial statements.
Defining report content and topic Boundaries 102-46	In 2022, we conducted an assessment to understand our most material issues, which remained consistent for our 2023 reporting. By rating topics relevant to our sector in order of importance to society and to IDB Invest, we can focus our efforts on where we can generate the most impact and provide confidence to our stakeholders that we are focused on the issues that matter to them. Issues in the materiality assessment were scored as low, medium, or high based on two metrics: their influence on stakeholder decisions and assessments, and the significance of their impact on the economy, environment, and society.

Disclosure	2023 Response
List of material topics 102-47	Please refer to Our Material Issues on page 8 of our 2022 Sustainability Report. ¹
Reporting cycle 102-52	Annual – Calendar year 2023.
Contact point for questions regarding the report 102-53	Questions concerning this index should be directed to sustainability@idbinvest.org .
Claims of reporting in accordance with the GRI Standards 102-54	This report has been prepared in reference to the GRI Standards (2016).
External assurance 102-56	IDB Invest does not have a policy regarding external assurance for its sustainability reporting or this GRI Index.
Evaluation of the management approach 103-3	<p>The IDB Group’s Evaluation Policy Framework establishes the scope and principles that guide evaluations, both for self-evaluation work conducted by IDB and IDB Invest and for independent evaluation work conducted by the Office of Evaluation and Oversight, also referred to as OVE. Please refer to OVE’s site for detailed information about their role and responsibility.</p> <p>IDB Invest is also under the oversight of the Office of the Executive Auditor, please refer to the Office of the Executive Auditor for more detailed information regarding the scope of internal auditing.</p> <p>In addition, IDB Invest conducts a mandatory final self-evaluation for each operation in the portfolio once it reaches early operating maturity. This evaluation compares the expected and actual impact of each project through a systematic assessment of its efficiency, effectiveness, relevance, and long-term sustainability, and captures the main lessons learned. The final rating of each evaluation is validated by OVE. Aggregate performance results are reported to the Board annually and disclosed publicly in the Development Effectiveness Overview.</p> <p>IDB Invest has in place the Management Grievance Mechanism (MGM), a tool for communities, individuals, and/or groups to submit grievances related to environmental and/or social issues. Refer to the MGM site for detailed information on the mechanism.</p>

¹ Our 2022 materiality assessment helped identify the key ESG issues for our business. During 2023, these issues remained relevant and continued to inform crucial aspects of our sustainability strategy.

ECONOMIC

ECONOMIC PERFORMANCE

Disclosure	2023 Response
Explanation of the material topic and its Boundaries 103-1	With financing gaps to meet the UN SDGs by 2030 in the trillions of dollars, resource mobilization has become a central element of development finance. Similarly, the Paris Agreement cannot succeed without investment and contribution from the private sector. IDB Invest's 2.0 strategy centers on scaling the mobilization of private capital toward investments that generate development impact in Latin America and the Caribbean. Boundary: Operational and Corporate
The management approach and its components 103-2	It is crucial for IDB Invest to be able to mobilize additional resources and expand the pool of funds available for investment in the private sector, bringing other lenders to the table and structuring investments that work for them. This makes more financing available for our clients and enables us to make a bigger impact on development. IDB Invest has a team responsible for resource mobilization within the Financial Products Division of the Investment Operations Department. Mobilization is among IDB Invest's top Business Plan priorities. In 2023, IDB Invest's core mobilization reached \$5.4 billion, exceeding the \$2.5 billion target. IDB Invest has continued diversifying its mobilization instruments, including insurance-like products, to create assets that match the appetite of a wider range of co-investors. Please refer to our mobilization site for more information about IDB Invest mobilization team and the work we do. For more on IDB Invest's economic performance, see pages 6-16 of the 2023 Annual Report .
Evaluation of the management approach 103-3	See the response in the General Disclosure section above (103-3). IDB Invest continually monitors and reports on mobilization targets and progress throughout the year.
Direct economic value generated and distributed 201-1	IDB Invest's financial information as of December 31, 2023 ¹ : information disclosed in IDB Invest 2023 Information Statement . <ul style="list-style-type: none"> • Income from development-related debt investments (loans and debt securities), net of provision for credit losses: \$555.0 million • (Provision)/release of provision for credit losses: \$15.0 million • Income/(loss) from equity investments: \$27.8 million • Income/(loss) from liquid assets, net: \$198.6 million • Borrowing expense: \$242.5 million • Other income: \$75.5 million • Income/(expense) from development-related investments, liquid assets, and other income, net of borrowing expenses: \$558.8 million • Administrative expenses: \$180.3 million • Total other expenses (including administrative expenses): \$162.7 million • Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net: \$232.2 million • Net income/(loss): \$163.9 million
Financial implications and other risks and opportunities due to climate change 201-2	Historically, IDB Invest has been focused on increasing climate finance in its portfolio. In 2023, IDB Invest reached 32% of total commitments in climate finance, exceeding the 30% target. At the same time, IDB Invest has sought to increase thought leadership and adopt and deploy new climate developments such as the Task Force on Climate-related Financial Disclosures (TCFD), Paris Agreement alignment, net-zero actions, and, more recently, by rolling out nature-based solutions with its clients. In 2023, we achieved our goal of ensuring that 100% of our operations were aligned with the principles of the Paris Agreement. Please refer to page 5 of our Sustainability Update 2023/24 .

1. Figures presented have been rounded. Detail may not add to total due to rounding.

ECONOMIC PERFORMANCE CONTINUED

Disclosure	2023 Response
<p>Defined benefit plan obligations and other retirement plans</p> <p>201-3</p>	<p>Please refer to IDB Invest Staff Benefits & Compensation.</p>

INDIRECT ECONOMIC IMPACTS

Disclosure	2023 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>IDB Invest promotes inclusive growth in the region by investing in projects that indirectly support disadvantaged groups through increasing productivity and generating economic growth, and through raising standards through the implementation of rigorous safeguards, as well as by investing in projects that directly benefit disadvantaged groups by providing access to services, generating employment, or improving communities.</p> <p>Inclusive economic growth benefits and creates opportunities for all segments of society, including groups that are disadvantaged due to race, ethnicity, gender, poverty, sexual orientation, disability, and location, among other factors.</p> <p>Boundary: Operational</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>Given IDB Invest’s focus on development through the private sector, nearly all projects contribute indirectly to the reduction of poverty, vulnerability, and social exclusion by fostering inclusive economic growth. IDB Invest focuses its efforts on sectors that evidence shows promote inclusive growth and benefit households across the income distribution. In addition, one of IDB Invest’s three strategic pillars is taking a systemic approach to operations, which means having a broader reach beyond direct beneficiaries.</p> <p>IDB Invest’s management approach related to inclusive growth includes various action plans and roadmaps, approved by its Board of Executive Directors, which serve to implement specific strategic objectives, including the Poverty and Vulnerability Roadmap, the Micro, Small, and Medium Enterprises (MSME) Action Plan, and the Action Plan for Small and Island Countries.</p> <p>IDB Invest also has IDB Group-level Action Plans, approved by the Boards of Executive Directors of the IDB and IDB Invest, including the Gender and Diversity Action Plan 2022–2025 (see the Annual Progress Report for 2023).</p> <p>IDB Invest also reports on key metrics related to development priorities through the IDB Group Corporate Results Framework (CRF) 2020-2023.</p> <p>In addition, core to IDB Invest’s management approach across this and all material topics related to operations is its Impact Management Framework, an end-to-end series of tools and practices that support the complete operation lifecycle from origination and structuring to monitoring, evaluation, learning, and knowledge management.</p>

INDIRECT ECONOMIC IMPACTS CONTINUED

Disclosure	2023 Response
<p>The management approach and its components (cont.)</p> <p>103-2</p>	<p>The economic analysis is complemented by an in-depth stakeholder analysis focusing on who will benefit and how they will benefit, ensuring that the direct and indirect impacts on specific beneficiaries (e.g., MSMEs, poor and vulnerable populations, women, and excluded/diverse populations) are properly accounted for and rewarded in the score of our Impact Management Framework Development Effectiveness Learning, Tracking, and Assessment (DELTA) tool. Regarding indirect impacts, the DELTA assesses the systemic effects of each operation on markets, industries, and economies (i.e., the extent to which the operation benefits the broader private sector by expanding market linkages, improving regulatory frameworks or the business environment, or promoting innovation and knowledge spillovers).</p>
<p>Evaluation of the management approach</p> <p>103-3</p>	<p>See the response in the General Disclosure section above (103-3). IDB Invest continually monitors and reports on key targets and progress throughout the year.</p>
<p>Infrastructure investments and services supported</p> <p>203-1</p>	<p>IDB Invest supports infrastructure investments in the transport, energy, water and sanitation, health, and education sectors that contribute to increasing productivity and propelling economic growth.</p> <p>IDB Invest’s Sustainability Framework is composed by the Environmental and Social Sustainability Policy (Includes the IFC Performance Standards), its Implementation Manual, the Access to Information Policy and its implementation manual, together with guidance notes and good practice materials.</p> <p>Compliance with the Sustainability Framework is defined as meeting applicable requirements of the IFC Performance Standards, carrying out agreed-upon actions in plans referenced in legal contracts between IDB Invest and its clients, and meeting defined procedural requirements, including provisions for reporting and supervision.</p>
<p>Significant indirect economic impacts</p> <p>203-2</p>	<p>As an MDB, the work we do has significant indirect economic impacts by contributing to inclusive economic growth in Latin America and the Caribbean. For example, the operations we finance across sectors have indirect economic impacts on productivity, economic development in high-poverty areas, job creation, and the availability of products and services for low-income populations and MSMEs, among others.</p>

ANTI-CORRUPTION

Disclosure	2023 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>Integrity is essential to IDB Invest’s mission. Corruption weakens democratic institutions and discourages investment and job creation. Ultimately, it hits the poor and those without access to legal recourse the hardest.</p> <p>Refer to disclosure 102-16 for information regarding IDB Invest integrity efforts.</p>

ANTI-CORRUPTION CONTINUED

Disclosure	2023 Response
<p>The management approach and its components</p> <p>103-2</p>	<p>In the context of promoting integrity and good governance in the region, the IDB Group is committed to the highest integrity standards in all its operations. In alignment with this commitment, IDB Invest, as part of the IDB Group, has an extensive set of policies and specialized mechanisms to reinforce integrity best practices and avoid Prohibited Practices such as fraud and corruption in its projects.</p> <p>As such, IDB Invest has adopted policies and procedures establishing the integrity review of its investment operations, including an integrity due diligence process that screens counterparties and their managers, shareholders, and ultimate beneficiary owners for integrity concerns. In addition, IDB Invest is subject to the IDB Group Sanctions System, which includes a sanctions regime that provides for the investigation and sanctioning of counterparties in the case of alleged Prohibited Practices in its operations.</p> <p>The following is a summary of IDB Invest’s policies and procedures related to integrity risks, including bribery and corruption:</p> <ul style="list-style-type: none"> • IDB Invest Integrity Framework • IDB Invest Code of Ethics and Professional Conduct • Sanctions Procedures <p>The above policies, including the prohibition of corruption and other misconduct, apply to all IDB Invest staff, irrespective of grade. As such, IDB management is also subject to the policies and can be held accountable.</p> <p>The following are the units/departments at the IDB Group that play a role in developing and implementing integrity- and ethics-related programs in connection with IDB Invest’s activities: Office of Ethics, Office of Institutional Integrity, Office of the Sanctions Officer and Sanctions System.</p>
<p>Evaluation of the management approach</p> <p>103-3</p>	<p>See the response in the General Disclosure section above (103-2).</p>
<p>Operations assessed for risks related to corruption</p> <p>205-1</p>	<p>IDB Invest conducts regular integrity reviews of all its investment operations, including an integrity due diligence process that screens counterparties and their managers, shareholders, and ultimate beneficial owners for integrity concerns.</p> <p>During 2023, OII responded to 1,207 consultations for IDB Invest.</p> <p>Of those 1,207 consultations, 723 were related to projects in origination and 484 related to projects in supervision. In 2023, OII provided IDD assessments on 625 separate projects (125 in origination and 500 in supervision).</p> <p>For the 125 in origination, OII completed full integrity risk assessments on 67 and concluded that 39 of them (53.42 percent) presented minimal risk; 25 (37 percent) had a heightened risk resulting in integrity disclosures and, frequently, mitigation measures; three (4.11 percent) showed significant risk and did not proceed to approval.</p> <p>Of the 484 projects in supervision on which OII provided IDD assessments, OII concluded that 15 merited heightened integrity monitoring and inclusion in the confidential Integrity Monitoring List, which is communicated to IDB Invest senior management and the Board of Executive Directors on a quarterly basis.</p>

ANTI-CORRUPTION CONTINUED

Disclosure	2023 Response
<p>Communication and training about anti-corruption policies and procedures</p> <p>205-2</p>	<p>All new IDB Invest employees, including management and Board members, participate in an onboarding seminar that provides an overview of the mission, goals, and organizational structure of IDB Invest and the IDB Group, as well as key aspects of operations and human resources management, among other things.</p> <p>In addition, as part of its preventive activities, IDB Invest, through its compliance function and OII, carries out mandatory training for different organizational units, including country offices and country representatives, to reinforce employees' awareness of IDB Invest's Integrity Framework and of managing integrity risks in IDB Invest-financed operations.</p> <p>In 2022, IDB Invest conducted a total of 14 training sessions or other knowledge-sharing activities related to integrity and related topics. Such training sessions for IDB Invest staff reached over 700 participants. IDB Invest has continued to invest in communications in these policies and procedures in 2023. The 2023 report covering progress from OII will be available on OII's website once published.</p> <p>In addition, the Office of Ethics provides training to IDB Group employees on the Code of Ethics and related topics, including personal conflicts of interest.</p> <p>There currently are no legal cases brought against IDB invest or its employees in judicial courts regarding corruption issues.</p>
<p>Confirmed incidents of corruption and actions taken</p> <p>205-3</p>	<p>In 2023, OII received 176 complaints and completed 27 investigations, including both preliminary and full investigations. At the end of 2023, OII had 103 open investigations (preliminary and full).</p> <p>In 2023, the Sanctions Office received four OII submissions (three Statements of Charges and one Negotiated Resolution Agreement eligibility request) and reviewed five Statements of Charges carried over from previous years. In 2023, there were 18 Respondents implicated in OII's four submissions.</p> <p>In 2023, the Sanctions Office issued 19 determinations and the Sanctions Committee issued 35 decisions.</p> <p>Of the 19 Determinations Issued, 15 were related to Statements of Charges, one was related to Determinations for Eligibility for Negotiated Resolution Agreement, and three were related to release from debarment based on achieving compliance conditions. The Sanctions Office imposed sanctions in 13 of these determinations. Of these 13 determinations with sanctions, seven were of corruption and six of fraud. Two of those were uncontested and, therefore, final. The remaining 11 were contested and, therefore, appealable to the Sanctions Committee. Two of these appealable determinations were not appealed, and the remaining nine have appeal periods that lapse in 2024.</p> <p>There are currently no reported cases of incidents when contracts with business partners were terminated or not renewed due to violations related to corruption; there are currently no reported public legal cases regarding corruption brought against the organization or its employees during the reporting period.</p>

ENVIRONMENTAL ENERGY

Disclosure	2023 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>The IDB Group is committed to reducing the environmental impact of activities at Bank facilities. Through our internal Corporate Sustainability Program, we develop projects to lower our impact, establish and promote environmental awareness in the workplace, and encourage and support IDB Group employees to become more conscious of the impact of their actions on the environment.</p> <p>Through its financing, IDB Invest, part of the IDB Group, actively supports the low-carbon and climate-resilient development of the private sector in the Latin America and Caribbean (LAC) region. Aligning IDB Invest’s financing to the mitigation and adaptation goals of the Paris Agreement is part of this ongoing agenda, and thus, one of the actions contemplated in the IDB Group Climate Change Action Plan 2021-2025. Additional information on climate-finance targets can be found in the TCFD Disclosure.</p> <p>Boundary: Corporate</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>At the IDB Group, we have a long-standing commitment to reducing the environmental impact of our corporate activities. Our program focuses on climate, energy, water, waste, and transport, and is aligned with the IDB Group’s strategic priorities on climate change and environmental sustainability. We continually strive to be a more sustainable organization.</p> <p>The following energy indicators account for IDB Invest, including the calculation of the per capita impact. IDB Group had 2,351 active staff at year-end 2023 and 1,211 consultant full-time equivalents (these figures include 455 employees from IDB Invest).</p> <p>Corporate energy-related data is collected at the IDB Group level. Hence, all data relates to the IDB Group figure, prorated with the proportion of employees working for IDB Invest (i.e., 14.9% in 2022 and 14.8% in 2023).</p> <p>The boundary has been set as corporate because, on the operational side, IDB Invest does not manage the purchases and contracts derived from the projects it finances.</p> <p>Project implementation and administration are the responsibility of borrowers. However, IDB Invest does review procurement and contracting to ensure compliance with its policies and procedures.</p>
<p>Evaluation of the management approach</p> <p>103-3</p>	<p>See the response in the General Disclosure section above (103-3).</p>
<p>Energy consumption within the organization</p> <p>302-1</p>	<p>The following energy indicators account for the prorated part of IDB Invest (based on its personnel) from the energy indicators for the entire IDB Group. Please note that for the determination of full-time equivalents, Products and External Services Consultants (PECs) are excluded.</p> <p>In 2023, IDB Invest’s offices consumed approximately 11,425 gigajoules (GJ) of non-renewable energy, which includes natural gas, diesel, gasoline, and purchased electricity. This includes IDB-owned and leased fleet vehicles that consumed approximately 730 GJ of non-renewable fuel and 771 GJ from stationary.</p> <p>In 2023, offices in Bolivia, Brazil, Bahamas, the Dominican Republic, Jamaica, Nicaragua, Trinidad and Tobago, and Uruguay consumed approximately 445 GJ of self-generated renewable energy from on-site solar photovoltaic systems.</p> <p>IDB Invest’s global electricity consumption was approximately 10,639 GJ in 2023.</p>

ENERGY CONTINUED

Disclosure	2023 Response			
Energy consumption within the organization (cont.) 302-1	GJ of	2023	GJ of	2023
	Non-renewable fuel consumed	1,501	Non-renewable energy	11,452
	Renewable fuel consumed	445	Renewable energy	445
	Purchased electricity	9,923	Global electricity	10,369
	Self-generated electricity not consumed	N/A		
	Sold electricity	N/A		
	Total energy consumption	11,807		
Energy intensity 302-3	<p>IDB Invest’s energy intensity ratio in 2023 was 0.44 GJ per occupied square meter, compared to 0.46 in 2022. This intensity is calculated by dividing the total global office energy consumed (including stationary fuel, electricity, and heating) in each respective year by the square meters of occupied space.</p> <p>The COVID-19 pandemic was responsible for a significant decrease of electricity consumption in 2020 and 2021, as employees operated under a mandatory telework scenario for most of the year, and most offices altered their operational schedules accordingly. In 2022, the easing of the pandemic resulted in a higher on-site work frequency and global office energy consumption. There was a modest increase in energy consumption in 2022 as we partially returned to the office. This working routine was kept for 2023.</p>			
Reduction of energy consumption 302-4	<p>In 2023, IDB Invest reduced its energy consumption by approximately 1,864 GJ from the 2019 baseline, mostly through a reduction in electrical consumption.</p> <p>Purchased electricity consumption at IDB Invest’s country offices was reduced in 2023 by 23 GJ from a 2019 baseline.</p> <p>In addition to reductions from partially remote working partial remote (due to the global pandemic), the ongoing implementation of conservation initiatives contribute to this outcome:</p> <ul style="list-style-type: none"> • Upgrading air conditioning units with more efficient models as they become obsolete • Replacing appliances with Energy Star-rated appliances • Installing remote air conditioning temperature control systems, where allowable • Installing occupancy sensors in restrooms, hallways, and low-traffic areas • Retrofitting offices with up-to date LED lighting • Installing solar panels to reduce energy consumption from the local grid • Installing solar window films • Hosting events to raise staff awareness 			

EMISSIONS*

Disclosure	2023 Response
Explanation of the material topic and its Boundaries 103-1	Our new Environmental and Social Sustainability Policy commits us to calculate gross (or absolute) emissions from IDB Invest-financed projects that may generate significant amounts of GHG (greenhouse gas) emissions. We believe in practicing the same approaches in our own offices, too. On the corporate side, technological advances are increasingly making it possible to track how we use resources and in turn implement efficiency measures that help lower consumption, such as a comprehensive recycling program that helps reduce pressure on landfills and natural resources. Boundary: Corporate and Operational
Management approach and its components 103-2	For IDB Invest management approach, please refer to IDB Invest 2023 TCFD Disclosure, pages 65-77 of our 2023 Annual Report .
Direct (Scope 1) GHG emissions 305-1	Scope 1, Scope 2, and business-travel-related Scope 3 GHG emissions data is collected at the IDB Group level. Hence, that data relates to the IDB Group figure, prorated with the proportion of employees working for IDB Invest (i.e., 14.9% in 2022 and 14.8% in 2023). In 2023, Scope 1 GHG emissions were 140 metric tons of carbon dioxide (CO ₂) equivalent. The GHG inventory includes CO ₂ , methane (CH ₄), and nitrous oxide (N ₂ O) emissions from electricity and fuel consumption, and hydrofluorocarbon (HFC) emissions from refrigerant use, with no emissions of PFCs, SF ₆ , or NF ₃ reported. No biogenic emissions were reported. The base year is 2021, as it was the year preceding the first reporting, with Scope 1 emissions in 2021 being 252 metric tons of CO ₂ equivalent. The global warming potential (GWP) source is the GHG Protocol/International Energy Agency (IEA) for Scope 1 and 3, with all GWP automatically updated with new database versions. The IDB Group operates under operational control, and its inventory accounting principles are consistent with the GHG Protocol Corporate Accounting and Reporting Standard. The IDB Group includes all Scope 1 and Scope 2 emissions from its operationally controlled owned and leased facilities in the GHG inventory, and Scope 3 emissions from business air and rail travel are also included. All Scope 1, 2, and 3 GHG emissions and activity data are collected and calculated using the SoFi enterprise sustainability software tool.
Energy indirect (Scope 2) GHG emissions 305-2	In 2023, Scope 2 location-based GHG emissions were 867 metric tons of CO ₂ equivalent, while gross Scope 2 market-based GHG emissions were 239 metric tons of CO ₂ equivalent. The GHG inventory includes CO ₂ , CH ₄ , and N ₂ O emissions from electricity and fuel consumption, and HFC emissions from refrigerant use, with no emissions of PFCs, SF ₆ , or NF ₃ reported. The base year is 2021, as it was the year preceding the first reporting, with Scope 2 emissions in 2021 being 1,016 metric tons of CO ₂ equivalent. The GWP source is the GHG Protocol/IEA and GaBi for Scope 2, with all GWPs automatically updated with new database versions.
Other indirect (Scope 3) GHG emissions 305-3	In 2023, Scope 3 GHG emissions related to business travel activities were 1,606 metric tons of CO ₂ equivalent. The base year is 2021, as it was the year preceding the first reporting, with Scope 3 emissions related to business travel in 2021 being 130 metric tons of CO ₂ equivalent. For GHG emissions related to financing activities, please refer to page 77 of IDB Invest TCFD Annex published in the 2023 Annual Report .

EMISSIONS* CONTINUED

Disclosure	2023 Response
<p>GHG emissions intensity</p> <p>305-4</p>	<p>At a corporate level for the IDB Group, GHG emissions intensity is estimated in two types: In 2023, Scope 1 and Scope 2 location-based emissions were 0.040 metric tons of CO₂ equivalent per square meter, compared to 0.045 metric tons of CO₂ equivalent per square meter in 2022. Additionally, in 2023, Scope 3 emissions related to business travel were 3.04 metric tons of CO₂ equivalent per capita, compared to 1.68 metric tons of CO₂ equivalent per capita in 2022.</p> <p>The following gases have been included in the intensity ratio and calculations: CO₂, CH₄, N₂O, and HFCs.</p>
<p>Reduction of GHG emissions</p> <p>305-5</p>	<p>At the institutional or corporate level, the IDB Group chose 2019 as the baseline year, as it is immediately before the global pandemic, which significantly impacted the organization's GHG emissions.</p> <ul style="list-style-type: none"> • Scope 1 emissions in 2019 were 148 metric tons of CO₂ equivalent, and in 2023 they were 141 metric tons, demonstrating an absolute reduction of 5%. • Scope 2 emissions using the location-based approach in 2019 were 1,233 metric tons of CO₂ equivalent, and in 2023 they were 866 metric tons, demonstrating a reduction of 30%. • Scope 3 emissions in 2019 were 1,792 metric tons of CO₂ equivalent, and in 2023 they were 1,606 metric tons, demonstrating a reduction of 10%.

* Due to quality revisions, minor changes in the data could be observed between reports that are produced in different periods.

BIODIVERSITY

Disclosure	2023 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>IDB Invest is committed to the protection, conservation, management, and sustainable use of biodiversity, natural resources, and ecosystem services by IFC PS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources).</p> <p>As the region grows economically, it faces new challenges related to balancing the increasing demand for resources with the need to protect and manage them within the context of a changing climate. Therefore, it is critically important for IDB Invest's clients to understand that sustainable land and forest management can contribute to mitigating climate change while improving the livelihoods of rural populations.</p> <p>We are involved in activities that improve the management of protected areas, strengthen environmental institutions, generate income opportunities for communities in a way that helps them sustain their neighboring ecosystems, manage coastal and marine resources, and support climate change and disaster risk management initiatives in critical watersheds.</p> <p>Boundary: Operational</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>As stated in the IDB Invest Sustainability Policy, launched in 2020, the institution is committed to the protection, conservation, management, and sustainable use of biodiversity, natural resources, and ecosystem services by IFC PS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources).</p> <p>In the operations it finances, IDB Invest requires its clients to include measures to safeguard critical habitats and to protect - and where feasible, enhance - natural habitats, as well as the biodiversity and corresponding ecosystem services they support. Refer to pages 94-98 of Implementation Manual of the IDB Invest Environmental and Social Sustainability Policy, for detailed information of how we manage impacts on Biodiversity.</p>

EFFLUENTS AND WASTE

Disclosure	2023 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>The IDB Group is committed to reducing the environmental impact of activities at Bank facilities. Through our internal Corporate Sustainability Program, we develop projects to lower our impact, establish and promote environmental awareness in the workplace, and encourage and support IDB Group employees to become more conscious of their impacts. The following waste indicators account for the prorated part of IDB Invest (based on its personnel) from the waste indicators for the entire IDB Group.</p> <p>Boundary: Corporate</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>As stated in our Sustainability Policy under Pollution Prevention and Resource Efficiency, IDB Invest promotes good industrial practice and resource-efficiency strategies to minimize waste and pollution, including GHG emissions, resulting from the projects it finances in accordance with IFC PS3 (Resource Efficiency and Pollution Prevention). IDB Invest requires its clients to apply relevant IFC Environmental Health and Safety (EHS) Industry sector guidelines to IDB Invest-supported investments as benchmarks for good industry practice and to design, implement, and operate their projects and activities accordingly.</p> <p>In 2023, the IDB Invest headquarters produced 24.5 metric tons of waste, of which 7.9 metric tons came from trash, 7.0 metric tons from recycling, 6.3 metric tons from composting, and 3.2 metric tons from e-waste.</p>

SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

Disclosure	2023 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>The boundary has been set as corporate because, on the operational side, IDB Invest does not manage the purchases and contracts derived from the projects it finances. Project implementation and administration are the responsibility of borrowers. However, IDB Invest does review procurement and contracting to ensure compliance with its policies and procedures.</p> <p>For IDB Invest’s approach to the topic at the operational level, please refer to pages 85–90 of the Implementation Manual of the IDB Invest Environmental and Social Sustainability Policy.</p> <p>IDB Invest works with public and private companies to extend financing and make health and education services more inclusive. We promote excellence in the provision of services through greater coverage, higher quality, and improved efficiency.</p> <p>Boundary: Corporate</p>
<p>Hazard identification, risk assessment, and incident investigation</p> <p>403-2</p>	<p>A work-related accident occurs as a direct result of the task assigned to the specific job. The Health Service Center documents all work-related injuries/illnesses of IDB Group personnel (staff, consultants, and contractors). For instance, all injuries/illnesses are assessed by a team of nurses and documented in a Cority electronic medical record.</p>

TRAINING AND EDUCATION

Disclosure	2023 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>IDB Invest seeks to promote a results-oriented culture that sustains all employees, aligning personal aspirations with organizational needs by promoting a work environment that allows for flexibility, growth, and development.</p> <p>Boundary: Corporate</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>Human capital is IDB Invest’s most important asset, and the institution works hard to ensure it has the right person in the right place at the right time, and with the right incentives to lead to high performance.</p>
<p>Average hours of training per year per employee</p> <p>404-1</p>	<p>In 2023, IDB Invest offered 32,095 hours of training for its employees, averaging 70 hours per employee.</p>
<p>Programs for upgrading employee skills and transition assistance programs</p> <p>404-2</p>	<p>IDB Invest launched the Advanced Education Incentive Program, an initiative designed to promote learning, career growth, and innovation opportunities for staff at IDB Invest, whether based in headquarters or our field offices. The program offers tuition reimbursement for eligible candidates who are pursuing programs that support fields relevant to IDB Invest. The Human Resources Department offers a wide variety of knowledge products. Different programs are created to help employees develop core and leadership competencies according to their role; these are categorized as Managerial, Technical, and Support.</p> <p>Human Resources Department learning programs cover a wide range of topics, from leadership skills to emotional wellness, as well as career growth. Departments can also request on-demand courses and customized solutions for their teams through Advisory Services. These cover a wide variety of themes from leadership skills to communication; coaching; diversity, equality, and inclusion; and emotional well-being. Specific diversity, equality, and inclusion courses are always offered, and participants can put their learning into practice in a safe space through a virtual reality experiential platform.</p> <p>Some of the courses with the highest number of training hours taken by IDB Invest employees in 2023 were:</p> <ul style="list-style-type: none"> • IDB Group’s 2023 Knowledge Week • Adaptive Leadership and Digital Transformation Program • Institutional Orientation Seminar for New IDB Group Personnel and Board Members • Paris Alignment, Climate Finance and Green Finance: Three Pillars to Raise Ambition in Projects at IDB Group (SPA, ENG) • Onboarding sessions: Welcome and Overview • Mentoring program: Persuasion, Influence, and Collaboration Leadership Skills • Taller-Retiro Equipo BID Colombia 2023 • Financial Modeling • Emerging Women Leaders • Liberty Costa Rica B Bond – IDB Invest First Rule 144(a) and Reg S B Bond • Investigations of Prohibited Practices and the IDB Group Sanctions Procedures • Fourth meeting of the fintechLAC network: Building a Fintech Ecosystem for Financial Inclusion
<p>Percentage of employees receiving regular performance and career development reviews</p> <p>404-3</p>	<p>100% of staff members.</p> <p>100% of full-time consultants receive a different type of feedback (not formalized due to contract modality).</p>

DIVERSITY AND EQUAL OPPORTUNITY

Disclosure	2023 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>At the operational level for IDB Invest, impacts occur at the level of the client, in the supply chain, markets, and operations. IDB Invest acts in a spectrum that goes from risk to added value, mainly through three approaches: first, screening transactions for risk identification and management via the Gender Risk Assessment Tool (GRAT); second, by creating opportunities in value chains, clients' workforces, and markets through financial additionality and advisory services; and finally, by evaluating interventions to create a learning cycle.</p> <p>Boundary: Operational and Corporate</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>Please refer to page 8 of IDB Invest Environmental and Social Sustainability Policy for the approach and operationalization of gender risk management and equality, and pages 43–45 of the Implementation Manual of the IDB Invest Environmental and Social Sustainability Policy.</p> <p>At the corporate level, gender equality and diversity is one of the cross-cutting institutional priorities identified in the IDB Invest 2022 Business Plan, the Sector Framework, and the IDB Group-wide Gender and Diversity Action Plan for 2022–2025.</p> <p>The IDB Gender Policy calls for the sex-disaggregation of beneficiaries, including data disaggregated by sex for all commitments that have indicators capturing individual beneficiaries. In addition, where the unit of measure is an enterprise or a household, teams are encouraged to capture data on whether the enterprise is women-owned/led or the household head is a woman.</p> <p>The current corporate indicator and corresponding target focus on having 30% of all transactions include a gender component, and this target is disaggregated to 25% women and 5% LGBTQ+, people with disabilities, Indigenous Peoples, and Afro-descendants.</p> <p>The new proposed indicators are as follows:</p> <ul style="list-style-type: none"> • Gender analysis: 100% of all transactions by 2025 • 60% of all projects contributing to GDI Gender by 2028 • 100% projects with sex-disaggregated data <p>IDB Invest maintained EDGE standard at Move level by obtaining its recertification in 2023. EDGE is the leading global business-certification standard for workplace gender and intersectional equity. In 2021 the IDB Group became the first development bank in the Americas, and second worldwide, to achieve the second level of this prestigious distinction: EDGE Move.</p>
<p>Diversity of governance bodies and employees</p> <p>405-1</p>	<p>IDB Invest is committed to gender diversity, equality, and inclusion in our internal practices.</p> <p>Diversity of governance bodies and employees, including staff and consultants:</p> <p>Gender</p> <ul style="list-style-type: none"> • 52% female • 48% male <p>Age group</p> <ul style="list-style-type: none"> • 7% under 30 • 75% 30–50 • 19% over 50%
<p>The ratio of basic salary and remuneration of women to men</p> <p>405-2</p>	<p>Please refer to page 61 of IDB Invest 2023 Annual Report to see IDB Invest Merit, Variable Pay, and Promotions by Career Level and Gender table.</p>

FORCED OR COMPULSORY LABOR

Disclosure	2023 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>IDB Invest promotes the responsibility of businesses to respect human rights, including the prohibition of child and forced labor. Please refer to pages 77-84 of the Implementation Manual of the IDB Invest Environmental and Social Sustainability Policy for further information regarding IDB Invest’s approach.</p> <p>IFC Performance Standard (PS) 2 (Labor and Working Conditions) prohibits clients from employing forced labor, defined as any work or service not voluntarily performed that is expected from an individual under threat of force or penalty. This covers any kind of involuntary or compulsory labor, such as indentured labor, bonded labor, or similar labor-contracting arrangements. IFC PS2 also prohibits clients from employing trafficked persons.</p> <p>There are no specific limitations regarding the topic boundary.</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>Projects go through common phases of concept and identification, preparation, approval, implementation, completion, and closure. At the initial stage, prospective clients are advised about IDB Invest’s policies and standards and agree to meet the requirements. IDB Invest will only finance operations that are expected to meet the environmental and social requirements of the IDB Invest Sustainability Policy (Sustainability Policy) within a reasonable time frame.</p> <p>Refer to pages 77-84 of the Implementation Manual for a detailed explanation of how we manage the topic.</p>
<p>Evaluation of the management approach</p> <p>103-3</p>	<p>IDB Invest is constantly working to improve its environmental and social (E&S) policies and procedures and how they are implemented, including its prohibition on child and forced labor. IDB Invest also regularly develops guidance notes and other publications designed to help its staff and clients to better understand and implement its E&S policies and procedures. IDB Invest also participates in several working groups with other MDBs on improving E&S policies and procedures and their implementation.</p>
<p>Operations and suppliers at significant risk for incidents of forced or compulsory labor</p> <p>409-1</p>	<p>IDB Invest has identified a heightened risk of forced labor in the production of solar panel materials, specifically in the lower tiers of their supply chain (i.e., raw materials and polysilicon).</p> <p>IDB Invest has developed specific measures to mitigate the risk of forced labor in the solar panel supply chain, including i) enhanced due diligence of all transactions with a solar component; ii) traceability to at least the polysilicon level and contractual provisions against forced labor in the loan agreement when the client has a direct contractual relationship with the solar module manufacturer; iii) central monitoring of all transactions with a solar component; iv) coordination with other MDBs to share information and develop a “common approach” to address the issue; and v) coordination with solar industry associations and clients to share information on industry trends and develop solutions to the issue.</p>

RIGHTS OF INDIGENOUS PEOPLE

Disclosure	2023 Response
Explanation of the material topic and its Boundaries 103-1	IDB Invest is committed to fostering full respect for the human rights, dignity, aspirations, culture, and livelihoods of Indigenous Peoples, Afro-descendants, and other vulnerable groups. There are no specific limitations regarding the topic boundary.
The management approach and its components 103-2	IDB Invest requires clients to undertake: i) participation and inclusion for Indigenous Peoples and other vulnerable groups, and prevention or minimization of adverse impacts on Indigenous Peoples, Afro-descendants, and other vulnerable groups in accordance with IFC PS1 (Assessment and Management of Environmental and Social Risks and Impacts) and IFC PS7 (Indigenous Peoples); ii) a Free, Prior, and Informed Consent (FPIC) process under the three circumstances that require it in IFC PS7; and iii) avoidance of potential impacts on Indigenous peoples “in voluntary isolation” or “in initial contact” from an IDB Invest transaction, including taking appropriate measures to recognize, respect, and protect their land and territories, environment, and health, and avoid all undesired contact with them as the consequence of a project. IDB Invest also commits to avoid financing projects that would result in such undesired contact. For detailed explanation of how we manage the topic, please refer to pages 40–55 of the Implementation Manual .
Evaluation of the management approach 103-3	IDB Invest is constantly working to improve its E&S policies and procedures and how they are implemented, including those related to Indigenous peoples. For example, IDB Invest consulted with stakeholders, including civil society organizations, during the update of its Sustainability Policy in 2020, which includes requirements related to Indigenous peoples in voluntary isolation or in initial contact that go beyond IFC PS7. IDB Invest also regularly develops guidance notes and other publications designed to help its staff and clients to better understand and implement its E&S policies and procedures. IDB Invest also participates in several working groups with other MDBs on improving E&S policies and procedures and their implementation.
Incidents of violations involving the rights of Indigenous Peoples 411-1	In 2023, IDB Invest’s MGM did not receive any grievances related to Indigenous people issues or where complainants identified themselves as Indigenous.

HUMAN RIGHTS ASSESSMENT

Disclosure	2023 Response
Explanation of the material topic and its Boundaries 103-1	IDB Invest promotes the responsibility of businesses to respect human rights, guided by the International Bill of Human Rights and the eight fundamental Conventions of the International Labour Organization. Refer to page 7 of the Sustainability Policy . There is no specific limitation regarding the topic boundary, provided there is no conflict with the host country's laws and regulations.
The management approach and its components 103-2	IDB Invest conducts environmental and social due diligence (ESDD) of all transactions before their approval, which includes an assessment of contextual risks that may indicate a higher risk of human rights abuses. If any gaps are identified, an Environmental and Social Action Plan (ESAP) is developed to address these gaps. This ESAP is included in the loan agreement, so its implementation is a contractual obligation. After approval, IDB Invest conducts regular E33S supervision to assess client compliance with national laws and regulations, ESAPs, and the Sustainability Policy. IDB Invest's ESDDs and E&S supervisions often include site visits that include meetings with Affected Communities as defined by IFC PS1. Please refer to pages 55-58 of the Implementation Manual for a detailed explanation of IDB Invest's management approach to Human Rights.
Operations that have been subject to human rights reviews or impact assessments 412-1	Human rights are covered as a cross-cutting issue in the Sustainability Policy and the IFC Performance Standards on Environmental and Social Sustainability (IFC Performance Standards) that it incorporates. As a result, IDB Invest assesses human rights risks and impacts on all transactions that it finances.
Employee training on human rights policies or procedures 412-2	All Environmental, Social, and Corporate Governance Officers at IDB Invest are trained in identifying, assessing, and addressing human rights risks and impacts. An Officer is assigned to and assesses the human rights risks and impacts of every IDB Invest transaction.
Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening 412-3	All IDB Invest loan agreements require client compliance with the Sustainability Policy and the Performance Standards, which cover human rights as a cross-cutting issue.

LOCAL COMMUNITIES

Disclosure	2023 Response
Explanation of the material topic and its Boundaries 103-1	Projects financed by IDB Invest can lead to undesired impacts on communities and the environment. Please refer to pages 7-10 of the Sustainability Policy for the requirements and standards used to enhance the E&S sustainability of IDB Invest's financed projects. Boundary: Operational
The management approach and its components 103-2	Please refer to pages 35-100 of the Implementation Manual for our approach to stakeholder engagement, vulnerable and disadvantaged groups, land acquisition and involuntary resettlement, cultural heritage, and other key social matters. Fully operational since 2022, the Management Grievance Mechanism (MGM) is a channel to address ESG grievances received by project-affected people and communities. The MGM aims to identify and resolve grievances at an early stage and throughout the lifecycle, helping to ensure our policies are complied with and strengthening the sustainability of our clients. The MGM published a second annual report with a detailed overview of grievances received in 2023.
Operations with local community engagement, impact assessments, and development programs 413-1	IDB Invest requires its clients to identify and develop measures to mitigate the E&S risks and impacts of all IDB Invest-financed projects and operations. A formal Environmental and Social Impact Assessment is required for all Category A and high-risk Category B projects, as well as in those other cases in which it is required to comply with host country laws and regulations. IDB Invest requires its clients to consult with stakeholders in the project area of influence and develop a Stakeholder Engagement Plan (SEP) for all projects and operations with Affected Communities as defined by IFC PS1. The SEP must include stakeholder identification and mapping, as well as a description of past and planned stakeholder engagement activities. IDB Invest also requires its clients to have a community grievance mechanism.
Operations with significant actual and potential negative impacts on local communities 413-2	IDB Invest categorizes all transactions according to their potential E&S risks and impacts. Category A projects are those that could result in potentially significant environmental and/or social risks and impacts, which are diverse, irreversible, or unprecedented, and may extend beyond the boundaries of the actual project site or facilities. Stakeholders have three different channels to submit complaints regarding environmental and social impacts of an IDB Invest financing project: a) project-level grievance mechanisms (a requirement of the Sustainability Policy for IDB Invest clients), b) the IDB Invest MGM (a second line of defense managed by IDB Invest); or c) the Independent Consultation and Investigation Mechanism (ICIM, a third line of defense managed by an independent organization that reports directly to the IDB Group's Board of Executive Directors).

