

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

### Cordada MSME Productive Development Partnership / 13986-01– Chile

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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 research and calls with Cordada SpA (“Cordada”). IDB Invest reviewed the internal organization and policies to assess its ability to manage the E&S risks associated with the loans granted by Cordada. Cordada is a new client to IDB Invest.
- 2. Environmental and Social Categorization, and Rationale:** This operation is classified as a Category FI-3 given that the subprojects in Cordada’s current and future portfolio are low risk. Currently, the portfolio segmentation of their operations, which IDB Invest’s financing will support are focused on Micro, Small and Medium-Sized Enterprises (“MSMEs”) financing (75%), with an average loan size of approximately US\$7,200 and tenor length of 2-3 months.
- 3. Environmental and Social Risks and Impacts:** The main E&S risks of this project are associated with Cordada’s capacity to identify and manage the E&S risks associated with its lending activities. The potential risks associated with its main lending activities, factoring, include confirmation with local legislation requirements of sub-borrowers. Cordada ensures application of local law in these regards through a basic Know Your Client (“KYC”) evaluation in accordance with Chilean law.
- 4. Mitigation Measures:** Cordada will establish a basic Environmental and Social Management System (“ESMS”), comprised of application of the Exclusion List and review of sub-loans against applicable local legislation. It will designate at least one employee to be responsible for environmental and social issues. The borrower will be required to complete IDB Invest’s online training course on Environmental and Social Risk Management with the aim to build capacity around environmental and social risk management and further understand IDB Invest’s requirements at large.
- 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 [requestinformation@idbinvest.org](mailto:requestinformation@idbinvest.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.