

Environmental and Social Review Summary (“ESRS”) Bicycle Growth Fund I / 15119-01 – 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 Bicycle I, L.P. (the “Fund”) E&S policies and procedures, including human resources policies, grievance mechanisms, code of conduct, including internal grievance mechanism, sexual harassment, 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 E&S 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 E&S risks or impacts that are diverse, irreversible, or unprecedented.

The Fund’s underlying investments will focus on technology-enabled companies in Latin America and the Caribbean (“LAC”). The Fund estimates investing in approximately 10 to 15 projects in LAC with ticket sizes between approximately US\$20 to US\$50 million. The Fund’s preliminary pipeline has opportunities in several LAC countries, including, but not limited to 24 countries including Brazil, Mexico, Colombia, and Chile.

Category A (High Risk) sub-projects, per IDB Invest’s definition, will be excluded, as well as 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.

- 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 labor rights, occupational health and safety, 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 a basic Exclusion List, and plans to develop an Environmental and Social Policy. Bicycle Management Company, LLC (“Bicycle” or the “Fund Manager”) has a comprehensive Human Resource Policy and a Code of Conduct, that includes an internal grievance mechanism (complaint procedure) that directs any complain to the Florida Human Relations Commission.

The Fund has a staff of ten people of which five are females and two 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 International Finance Corporation (“IFC”) Performance Standards

(“PS”). The Fund will develop an Environmental and Social Management System (“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 Assessment and Management System (“ESMS”)			
1	Develop ESMS to align it with IDB Invest requirements ¹ and IFC Interpretation Note for Financial Intermediaries ² and implement it across the entire investment portfolio. IFC PS 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.	ESMS tailored to Bicycle portfolio	Six months after first disbursement
2	Provide the E&S due diligence reports of the first three investments done (with ticket size greater than US\$5 million) to verify: (i) the E&S categorization; and (ii) the proposed action plan.	Environmental and Social Due Diligence (“ESDD”) Reports including ESAP	As soon as ESDD report becomes available
PS1: Organizational Capacity and Competency			
3	Maintain at least one person to oversee the implementation of the ESMS .	Letter of appointment and CV of appointed E&S Officer to oversee ESMS	A month after disbursement
4	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

¹ IIC [Sustainability Policy](#) and [Exclusion List](#).

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

PS1: External Communication Mechanism (“ECM”)			
5	Develop and implement an ECM that includes methods to receive, register, screen, and assess, track, respond to, and act upon external inquiries and complaints from the public regarding Bicycle operations.	ECM	Six months after first disbursement
PS2: Labor and Working Conditions			
6	Strengthen the Internal Grievance Mechanism (complaint procedure) by providing easily accessible channels (e.g., phone number, website, e-mail address) to receive grievances.	Internal Grievance Mechanism	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.