

Environmental and Social Review Summary (“ESRS”)

Finabank Equity / Suriname - 15568-01

Original language of the document: English
Issuance date: March 2026

- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) assessment was conducted during the first trimester, 2026 through a review of relevant documentation and discussions with the commercial, operations and business banking areas. The reviewed materials covered E&S risk assessment and human resources management policies and procedures. Finabank N.V. (“Finabank” or the “Bank”) is an existing client of IDB Invest, with satisfactory performance.
- 2. Environmental and Social Categorization and Rationale.** The sub-projects to be supported have medium risk potential such as services and transport. Therefore, according to the IDB Invest Environmental and Social Sustainability Policy, the Bank has been categorized as FI-2. The Bank’s current or future portfolio financed as part of IDB Invest investment consists of or is expected to consist of, business activities that have potential limited, adverse environmental or social risks or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures; or includes a very limited number of business activities with potential adverse environmental or social risks or impacts that are diverse, irreversible, or unprecedented. The Performance Standards (“PS”) triggered by the Project are: (i) PS1: Assessment and Management of Environmental and Social Risks and Impacts; and (ii) PS2: Labor and Working Conditions. Finabank’s resources may not be used to finance any category A (high risk) sub-projects as per IDB Invest’s definition, and projects in the sectors included in the IDB Invest Exclusion List.

Finabank’s current portfolio, by December 2025, was composed of 25.0% retail, 60.0% corporate, 8.0% SMEs and 7.0% merchant banking. The main sectors include: mortgages 11.7%, investments 61.0% and vehicles 4.5% among others. Exposure to mining, quarrying, including oil and gas is less than 2.0%, of which 0.2% is upstream oil. This is a sector in Finabank’s exclusion list, thus it is not expected to increase in the future.

Finabank defines Corporate as large enterprises with structured operations with sales higher than US\$1.5 million and assets higher than US\$2 million. The Bank defines Small and Medium-Sized Enterprises (“SMEs”) as companies with annual sales of up to US\$1.5 million and assets below US\$2 million. The underlying loans in the SME portfolio have an average amount of US\$200,000. The five most representative sectors in the SME portfolio are: commerce (86%), transport (12%), and agriculture and fisheries (2%). In the corporate sector loans average US\$123,000. Personal loans are around 23% and averaged US\$2,000. Finabank’s portfolio average tenor is between three and eight years.

The equity investment is deemed aligned with the provisions of the Paris Agreement based on the analysis in line with IDB Group’s Paris Alignment Implementation Approach.

- 3. Environmental and Social Risks and Impacts.** The main E&S risks relate to Finabank’s capacity to identify and manage the E&S risks associated within its lending activities in its portfolio. Potential risks include occupational health and safety, waste generation, labor rights, handling of hazardous materials, and other sector-specific risks.

The E&S impacts and risks associated with sub-projects are expected to be moderate and will be managed through the existing FI’s procedures, strengthened by the measures outlined in the Environmental and Social Action Plan (“ESAP”) section below.

4. Mitigation Measures. Finabank, aims to position itself as a sustainable bank taking responsibility for the impact it has on people and the environment in Suriname; both directly through its own operations and indirectly through the companies and activities it finances. To achieve this goal Finabank is implementing an Environmental and Social Management System (“ESMS”), which includes an exclusion list aligned to IDB Invest, an E&S risk/sustainability tool, grievance mechanism, and E&S policy. The ESMS states the application of local law, the International Finance Corporation (“IFC”) PS, and includes contractual clauses. However, categorization remains general and standards applied according to the categorization ambiguous.

Finabank has a Sustainability Strategy, which was approved in 2024 by its Sustainability Committee. The Strategy is executed by the Sustainability Team (responsible for the implementation of actions, creating awareness, and managing progress), the Green Team (responsible for roll-out the green financing), the Social Team (responsible for roll-out of community financing), and the Financial Inclusion Team (responsible for training team members, managing and planning financial inclusion sessions for small entrepreneurs and retail customers to enhance financial literacy). Finabank has already adopted the International Financial Reporting Standards to disclose its performance. In addition, Finabank is signatory of the Inclusive and Sustainable Finance Protocol of the Surinamese Banker’s Association, published in February 2026. The Protocol has five pillars¹ that complement Finabank’s Sustainability Strategy.

Finabank plans to strengthen its E&S management capacity by hiring a Manager of the Sustainability team, in the ESMS referred to as Sustainability Coordinator. The position has been vacant since early 2025. The E&S risk management team includes a social specialist that will be also trained in ESMS implementation. Finabank must ensure that all supported loans comply with IDB Invest’s Exclusion List, applicable local E&S laws, and the IDB Invest Environmental and Social Guidelines including the IFC PS, for eligible subprojects according to its strengthened ESMS. Finabank’s staff in charge of ESMS implementation will be required to attend the IDB Invest E&S Risk Management workshop for financial intermediaries or complete the online “ESMS in practice²” course.

5. Environmental and Social Action Plan (“ESAP”):

Item #	Action	Deliverable	Deliverable Date
PS 1: Assessment and Management of Environmental and Social Risks and Impacts			
E&S Assessment and Management System			
1	Hire a Sustainability Manager (Sustainability Coordinator) in charge of ESMS implementation.	CV and letter of appointment detailing E&S risk assessment duties	Three (3) months after first disbursement
2	Strengthened ESMS to assess procedure and coordination with the credit cycle to confirm implementation of the (i) exclusion list; (ii) local law; (iii) IFC PS application; and (iv) review categorization matrix (Annex 2 of ESMS).	Strengthened ESMS	Six (6) months after disbursement
3	Provide detailed E&S due diligence reports of the first three transactions applying IFC PS, 36-month tenor and more than US\$5 million, for IDB Invest to: (i) confirm E&S categorization and level of analysis undertaken; and (ii) review the proposed action plans, if any.	Each E&S due diligence reports and action plan	As soon as available

¹ (i) Institutionalization of internal sustainability policies and reporting; (ii) Environmental, Social, and Governance (“ESG”) risk management; (iii) sustainable finance product and services and innovation; (iv) inclusive finance; and (v) sustainable internal operations and resource use.

² Environmental and Social Management: ESMS in Practice <https://cursos.iadb.org/en/indes/environmental-social-risk-management-esms-practice> (next edition available June 2026).

Item #	Action	Deliverable	Deliverable Date
Organizational capacity and competency			
4	The sustainability department will strengthen E&S risk identification capacity by taking the “ESMS in practice ³ ” training. The Sustainability Manager and social specialist will take the extended track of the training. Training should be taken by all new hires and reported annually	ESMS in practice Training certificate	As part of the Annual Environmental and Social Monitoring Report (“AESMR”)

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.

³ Environmental and Social Management: ESMS in Practice <https://cursos.iadb.org/en/indes/environmental-social-risk-management-esms-practice> (next edition available June 2026).