

Environmental and Social Review Summary (“ESRS”)

Valor Americas Growth Fund - Regional / 15599-01

Original language of the document: English
Issuance date: September 2025

- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) review of the proposed transaction included a desk-based review of the Environmental and Social Management System (“ESMS”) applied to Valor Growth Americas III, L.P. (“VGAI” or the “Fund”) and of its investment pipeline, as well as interviews with the Fund Manager’s staff (Valor Capital Group or “Valor”). Valor has previously served as the fund manager for other operations with IDB Invest and other Multilateral Development Banks (“MDBs”).
- 2. Environmental and Social Categorization and Rationale.** The proposed transaction is classified as FI-2 in accordance with IIC’s Sustainability Policy. The Fund will support equity investments in technology-enabled companies in Latin America and the Caribbean (“LAC”), focused on sectors such as financial services, education, logistics, consumer and retail, and health. It is expected to invest in 13–16 companies, with individual investment amounts ranging from US\$20 million to US\$23 million. The sub-projects in the Fund’s potential pipeline are expected to present low to moderate E&S risk. Category A (High Risk) sub-projects, per IDB Invest’s definition, will be excluded from the transaction, as well as those sub-projects involving activities included in IDB Invest’s Exclusion List.

The project is considered Paris Agreement aligned based on an 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 transaction are associated with the Fund’s capacity to identify and manage the E&S risks related to its investment activities. The Environmental Social Health and Safety (“ESHS”) impacts and risks associated with the Fund’s investment portfolio are expected to be low to moderate.
- 4. Mitigation Measures.** Valor has an ESMS in place to identify and manage the E&S risks of its portfolio. The ESMS includes E&S procedures, tools, and forms commensurate with the risk profile of its target portfolio. Through previous transactions with IDB Invest and other MDBs, the Fund manager has further strengthened the ESMS, which is considered aligned with IIC’s Sustainability Policy. The Fund also has procedures for human resource management and a grievance mechanism available to its employees. Stakeholder inquiries can be submitted via the email address provided on Valor’s website (<https://valorcapitalgroup.com>).

The Fund will be required to ensure that all investments comply with IDB Invest’s Exclusion List, applicable local E&S regulations, and its current ESMS. The Fund will also be required to provide IDB Invest with an Environmental and Social Monitoring Report on a regular basis throughout the life of the transaction.

- 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.