

Environmental and Social Review Summary (“ESRS”)

A/B Financing Agreement with Banco Internacional / 11847-02 – Chile

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- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) review for the proposed transaction consisted on desk work and calls with the client. IDB Invest reviewed Banco Internacional (the “Bank”) internal policies to assess how well the Bank can manage the E&S risks associated to its loans granted. Banco Internacional has been IDB Invest’s client since 2014, with a short-term foreign trade line.
- 2. Environmental and Social Categorization and Rationale.** This transaction was classified as Category FI-3 given the low-medium risk of the subprojects of Banco Internacional’s current and future portfolio. The sub-transactions that will use IDB Invest’s loan are focused on working capital financing for SMEs (which accounts for 31% of the Bank’s full portfolio), with loans averaging US\$141,000.

The Project is aligned with the Paris Agreement, based on an analysis in line with IDB Group’s Paris Alignment Implementation Approach.

- 3. Environmental and Social Risks and Impacts.** Banco Internacional is developing an Environmental & Social Management System (“ESMS”) as part of the implementation of its sustainability strategy. As required by the transaction, the Bank is expected to apply the local laws and IDB Invest’s Exclusion List through its ESMS. Moreover, Banco Internacional will appoint staff to manage the ESMS and will take IDB Invest’s course (or similar) on E&S management risks.
- 4. Mitigation Measures.** Banco Internacional is developing an Environmental & Social Management System (“ESMS”) as part of the implementation of its sustainability strategy. As required by the transaction, the Bank is expected to apply the local laws and IDB Invest’s Exclusion List through its ESMS. Moreover, Banco Internacional will appoint staff to manage the ESMS and will take IDB Invest’s course (or similar) on E&S management risks.
- 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.