

1. **Scope of Environmental and Social Review.** The environmental and social review of the proposed transaction was carried out by reviewing the client information and portfolio on file and conducting phone calls with the team responsible for environmental and social issues. IDB Invest reviewed internal information associated with the issuer's environmental and social management system (ESMS), procedures, and environmental policy with the aim of evaluating its internal capacity to manage the environmental and social risks of the projects to be financed with the social gender bond. The proceeds will be allocated in two categories: SMEs led by women and mortgages granted to women for social-interest housing. **Environmental and Social Categorization and Rationale.** The proposed transaction is classified IF-3 based on IDB Invest's Sustainability Policy. The majority of the subprojects to be financed are expected to present low environmental and social risks. The main sectors in which these enterprises operate are social interest housing construction, provision of services, commerce, and industry at the national level (Colombia). Subprojects classified as Category A[1] under IDB Invest's classification system will be restricted from receiving financing.
2. **Environmental and Social Risks and Impacts.** The environmental and social risks of the subprojects financed through the social gender bond are mainly associated with subprojects related to social interest housing mortgages[2] and women-led SMEs. The main environmental and social risks of social-interest housing construction are associated with location of the homes. Some potential risks associated with homebuilding could include: polluted sites, susceptibility to natural disasters, failure to follow construction codes, use of hazardous materials during construction, etc. The subprojects to be financed with the social gender bond are framed within the entity's overall environmental context—that is, risk management, ecoefficiency, and implementation of environmental products and programs all take place at the corporate level. The issuer has an environmental and social risk management system (ESRMS) in place that includes specific procedures for the housing portfolio to evaluate compliance with national legislation, licenses, and permits, as well as compliance with the Exclusion List. The monitoring and supervision process includes procedures requiring the submission of annual environmental management reports on the environmental and social aspects of the projects. The issuer also has the internal capacity to identify and manage the environmental and social risks associated with its current portfolio. The subprojects will be aligned with the entity's policies and with the legal requirements in Colombia.
3. **Mitigation measures.** The issuer must guarantee that all subprojects financed through the social gender bond comply with the provisions of IDB Invest's Exclusion List, as well as national laws applicable to environmental and social matters.
4. **Environmental and Social Action Plan.** N/A
5. **Contact information.** For questions about projects, including environmental and social issues associated with an IDB Invest transaction, please contact the client (see **Investment Summary**) or IDB Invest through e-mail [requestinformation@idbinvest.org](mailto:requestinformation@idbinvest.org). As a last resort, affected communities have access to IDB Invest's Independent Consultation and Investigation Mechanism through [mecanismo@iadb.org](mailto:mecanismo@iadb.org) or [MICI@iadb.org](mailto:MICI@iadb.org), or by calling +1(202) 623-3952.

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[1] Category A projects are projects that could have environmental and social impacts that are potentially significant and varied, irreversible, or without precedent and that often extend beyond the physical boundaries of the project's physical site or facilities. In principle, Category A includes projects that significantly impact protected or sensitive areas and/or vulnerable populations.

[2] Homes with a commercial value of up to 150 current statutory monthly minimum wages

(approximately COP\$131 million). The incomes of people who can access these homes are around four monthly minimum wages (approximately COP\$3.5 million).