

Environmental and Social Review Summary (“ESRS”) HMB Partnership / 13065-02 – Trinidad & Tobago

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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 research, and conversations with the risk management and finance teams. Home Mortgage Bank (“HMB”) is an existing client of IDB Invest.
- 2. Environmental and Social Categorization and Rationale:** The proposed transaction is classified as FI-3 per IDB Invest’s Environmental and Social Sustainability Policy. The social bond issuance will finance the purchase of mortgages of low and middle-income households in the secondary market of Trinidad and Tobago. The bond Framework for the social bond issuance will meet the criteria of ICMA’s Social Bond Principles (“SBP”). The E&S risks related to this transaction are low.

HMB will not finance either Category A (high risk) subprojects as defined by IDB Invest or those involving activities included in IDB Invest’s Exclusion List.
- 3. Environmental and Social Risks and Impacts:** The E&S risks of this transaction are related to HMB ability to assess and manage any risks associated to its lending activities. The potential risks associated with its main lending activities may include: inappropriate development location; poor building design (including ability to withstand natural disasters); inadequate construction; failure to comply with building regulations, among others. However, the E&S impacts and risks associated with the mortgage finance sector are likely to be low in nature
- 4. Mitigation Measures:** HMB’s mortgage process includes compliance with all local regulatory approvals prior to disbursement of a loan. HMB has an Enterprise Risk Management Policy and a Risk Management manager who, among others, oversees the portfolio compliance with the local E&S regulations. The company also has a Human Resources (“HR”) policy which includes an internal grievance mechanism and guidelines for non-discrimination and anti-harassment. HMB will be required to ensure that all mortgages supported under the bond issuance comply with IDB Invest’s Exclusion List and applicable E&S local laws.
- 5. Environmental and Social Action Plan:** 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 requestinformation@idbinvest.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 MIICI@iadb.org, or calling +1(202) 623-3952.