

Environmental and Social Review Summary (“ESRS”) AVLA - D&I Mortgage Financing WHL / 13787-01 – Chile

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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, client phone calls, and a portfolio review. AVLA is an existing client of IDB Invest and is in the process of implementing an Environmental and Social Management System (“ESMS”) with the support of an external consultant. As a condition of this transaction, AVLA will apply the current ESMS in development as applicable.
- 2. Environmental and Social Categorization and Rationale.** The proposed operation is classified as an FI-3 per IIC’s Sustainability Policy, given the primary focus is on mortgages. The mortgages are expected to average US\$65,000 with a tenor not to exceed 30 years. Category A sub-projects, per IDB Invest’s definition, are not considered a possibility in this operation given the focus on mortgages.
- 3. Environmental and Social Risks and Impacts.** The main E&S risks of this project are associated with AVLA’s capacity to identify and manage the E&S risks associated with its activities. The Environmental Social Health and Safety (“ESHS”) impacts and risks associated with mortgages are limited. The primary location of mortgages to be securitized are primarily in the Santiago region and neighboring vicinities.
- 4. Mitigation Measures.** AVLA is in the process of developing its ESMS with the support of an external consultant. The ESMS will be applied as applicable to mortgage related screening where relevant. AVLA will be required to ensure that all mortgages supported under the transaction comply with IDB Invest’s Exclusion List and are applicable E&S local laws. There is no associated action plan given the low risk of the operation and AVLA’s compliance with IIC’s Sustainability Policy.
- 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 MICI@iadb.org, or calling +1(202) 623-3952.