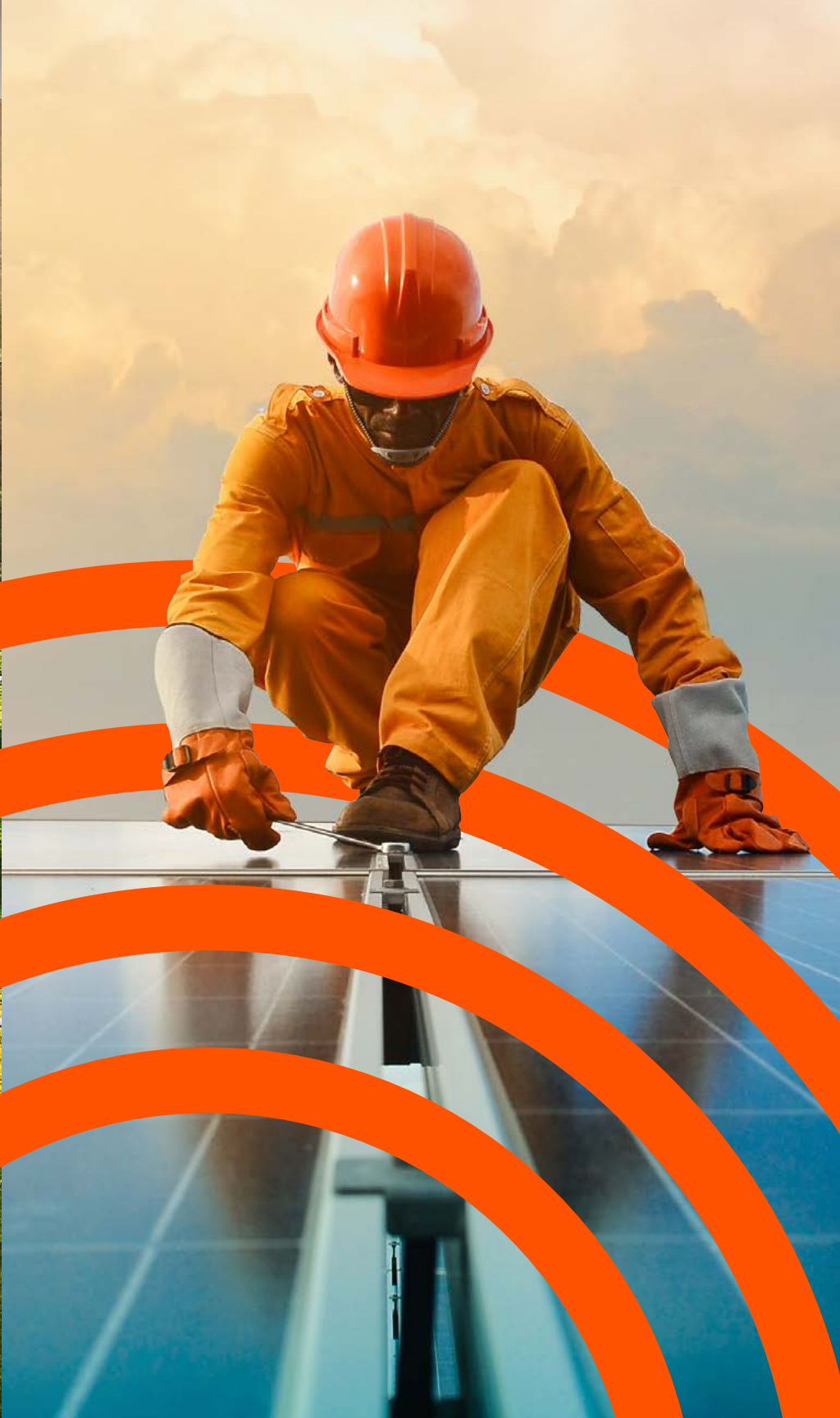


2022 GRI Index



GENERAL DISCLOSURES

Disclosure	2022 Response
Name of the organization 102-1	Inter-American Investment Corporation (hereafter referred to as IDB Invest).
Activities, brands, products, and services 102-2	<p>As part of the Inter-American Development Bank (IDB) Group, IDB Invest is committed to achieving inclusive and sustainable growth in Latin America and the Caribbean. As the private sector arm of the IDB Group, IDB Invest's focus is on catalyzing financing for the establishment, expansion, and modernization of private enterprises in the region as well as state-owned enterprises that do not benefit from a sovereign guarantee.</p> <p>IDB Invest provides, through its development operations, financing solutions in different forms. The objectives of these investments include improving different sectors in the region. In addition to financing, IDB Invest provides financial and technical advisory services and knowledge.</p>
Location of headquarters 102-3	Washington D.C., United States.
Location of operations 102-4	<p>IDB Invest has offices in each of its 26 regional developing member countries. These country offices play an essential role in the identification and preparation of new projects and the execution and evaluation of ongoing work. For information on lending volumes by country, please refer to our 2022 Information Statement.</p>
Ownership and legal form 102-5	<p>IDB Invest is an international organization established in 1986 under the Agreement Establishing the Inter-American Investment Corporation (the Establishing Agreement) and began operations in 1989. It is a legally separate and distinct member of the IDB Group, which also includes the Inter-American Development Bank and the Multilateral Investment Fund (commercially known as IDB Lab).</p> <p>IDB Invest has a separate governance structure, including a separate Board of Governors, Board of Executive Directors, management, and staff. IDB Invest is owned by its member countries.</p>
Markets served 102-6	<p>As a multilateral development bank (MDB), we have a responsibility to be sustainable and make returns on our investments. And we have a responsibility to make a difference and to contribute to economic growth and social progress in Latin America and the Caribbean.</p> <p>We work with private sector companies across strategic sectors. To be eligible for IDB Invest funding, a project must meet the financing criteria.</p> <p>IDB Invest offers the following financial solutions to its clients:</p> <ul style="list-style-type: none"> • Loans • Trade and supply chain finance • Guarantees • Debt Securities • Resource mobilization • Blended finance • Equity • Mezzanine <p>Details of each solution.</p>

Disclosure	2022 Response
<p>The scale of the organization</p> <p>102-7</p>	<p>As of December 31, 2022, IDB Invest employs 447 people: 391 permanent staff and 56 full-time consultants. The total count of operations in 2022 was 137.</p> <p>In 2022, IDB Invest recorded a net income of \$104.6 million.</p> <p>In 2022, IDB Invest's total development-related investments amounted to \$6.5 billion (before the allowance for credit losses). Total borrowings amounted to \$5.8 billion and total capital amounted to \$3.0 billion.</p>
<p>Information on employees and other workers</p> <p>102-8</p>	<p>Employees by employment contract by gender and point of duty:</p> <p>Permanent Staff</p> <p>By gender: 194 female employees 199 male employees</p> <p>By location: 126 employees in Country Offices (COF) 267 employees in Headquarters</p> <p>Consultants</p> <p>By gender: 27 female consultants 26 male consultants</p> <p>By location: 33 consultants in Country Offices (COF) 20 consultants in Headquarters</p>
<p>Supply chain</p> <p>102-9</p>	<p>Through its development operations, IDB Invest provides financial and blended finance products in the form of loans, guarantees, debt securities, and equity investments. To further amplify its impact, IDB Invest mobilizes financing from other investors through loan participations, loan syndications, and other co-financing arrangements, unfunded participation, and guarantees of debt instruments. To complement and enhance its value proposition, IDB Invest provides non-financial products, including advisory services, capacity building, and knowledge, along with leading environmental, social, and governance (ESG) and risk management solutions to its clients. These products seek to increase objectives such as increasing Micro, Small, and Medium Enterprises (MSMEs) access to finance, promoting infrastructure for development, supporting innovation and technological development, enhancing the provision of basic goods and services, and fostering green growth, as well as supporting the transversal priorities of inclusion, climate change, and digital transformation. Services procured by IDB Invest are largely consulting services, with some training and logistics services (including hotels) for events.</p> <p>The IDB Group does not manage the purchases and contracts derived from the projects it finances. Project implementation and administration are the responsibility of borrowers. However, IDB Invest does review procurement and contracting to ensure compliance with its policies and procedures.</p>

Disclosure	2022 Response
Significant changes to the organization and its supply chain 102-10	In 2022, Ilan Goldfajn was elected President of the Inter-American Development Bank and ex officio Chairperson of the Board of Executive Directors of IDB Invest for a five-year term.
Precautionary principle or approach 102-11	The purpose of the IDB Invest Environmental and Social Sustainability Policy (Sustainability Policy) is to enhance the environmental and social sustainability of the investment projects financed by IDB Invest through the application of robust environmental and social risk management standards. The Sustainability Policy applies to all activities undertaken and operations financed by IDB Invest, including direct and indirect financing and technical assistance services. IDB Invest will not knowingly finance – directly, or indirectly through Financial Institutions – projects involved in the production, trade, or use of the products, substances, or activities listed in our Exclusion List . Additional exclusions may apply in the context of a specific operation.
External initiatives 102-12	As an MDB, IDB Invest partners with a variety of stakeholders and is involved in a wide range of external initiatives, including: Sustainable Development Goals (SDGs) Operating Principles for Impact Management
Membership of associations 102-13	Financial Alliance for Woman SME Finance Forum International Corporate Governance Network (ICGN) Chief (women’s leadership network) Global Impact Investing Network (GIIN) Investors’ Council Impact Taskforce (ITF) Instituto Brasileiro de Governança Corporativa (IBGC) Corporate Governance Development Framework (CGDF) OECD-Latin America Roundtable on Corporate Governance EDGE Global Private Capital Association (GPCA) Federacion Latinoamericana de Bancos (FELABAN) Institute of International Finance (IIF) YPO Global Emerging Markets (GEMs) Risk Database Consortium International Association of Credit Portfolio Managers (IACPM) Harmonized Indicators for Private Sector Operations (HIPSO)

Disclosure	2022 Response
Membership of associations (cont.) 102-13	<p>Private Sector Development Research Network (PSDRN)</p> <p>Circular Economy Coalition for Latin America and the Caribbean</p> <p>International Financial Institutions Anti-Corruption Task Force</p> <p>Agreement for Mutual Enforcement of Debarment Decisions</p> <p>MDB Working Group on Managing for Development Results</p>
Statement from senior decision-maker 102-14	<p>Please refer to the Welcome from the CEO and the President on pages 3 and 4 of the 2022 Sustainability Report.</p>
Values, principles, standards, and norms of behavior 102-16	<p>IDB Invest upholds the highest standards of integrity, transparency, and accountability. We require this of our clients and we require it of ourselves.</p> <p>Integrity As part of the IDB Group, IDB Invest puts its commitment to integrity into practice through a framework of rigorous policies and procedures for our staff and clients. These include environmental and social safeguards to guide our activities and high corporate governance standards to support companies in preventing fraud and abuse. Our commitment to these issues goes beyond our region. We are part of broad-based international efforts to promote integrity and transparency throughout the world, including the:</p> <ul style="list-style-type: none"> • International Financial Institutions Anti-Corruption Task Force, which developed the Uniform Framework for Preventing and Combating Fraud and Corruption. • Agreement for Mutual Enforcement of Debarment Decisions, by which the participating financial institutions pledge to enforce each other’s sanctions against corruption. <p>Transparency IDB Invest’s Access to Information Policy reaffirms and reflects our commitment to transparency in the exercise of our activities. The policy is governed by the principle of maximizing access to information while understanding the nature and sensitivity of the data we receive from our clients. We disclose information about our investments, including clients’ contact information, expected development outcomes, and environmental and social reviews, through our Projects website. IDB Invest also publishes its information in IATI (www.iatistandard.org). For high-risk projects, we disclose the client’s environmental and social studies. IDB Invest prioritizes proactive engagement, operational transparency, and accountability. Interested parties may request additional information or lodge grievances related to IDB Invest-financed operations through our Engagement and Response Platform.</p> <p>Accountability To comply with the highest standards of integrity and transparency, our activities are monitored by the following oversight offices:</p> <ul style="list-style-type: none"> • Office of Evaluation and Oversight (OVE) • Office of Institutional Integrity (OII) • Independent Consultation and Investigation Mechanism (ICIM)

Disclosure	2022 Response
<p>Mechanisms for advice and concerns about ethics</p> <p>102-17</p>	<p>As part of the IDB Group, IDB Invest has several authorities and bodies for employees to report and seek advice on integrity- and ethics-related issues, and with whom employees cooperate in investigations, audits, or other inquiries.</p> <ul style="list-style-type: none"> • Reports of suspected misconduct by IDB Invest employees are directed to the Office of Ethics. • Reports of suspected so-called Prohibited Practices (including fraud and corruption) in IDB Group-financed activities by external parties are directed to the OII. • OII and the Ethics Office have specialized staff and resources that independently process and review the complaints received under the applicable procedures. <p>Several other IDB Group authorities may also receive reports on matters related to their areas or may be involved in investigations and otherwise in reviewing IDB Invest's activities. These authorities include, but are not limited to, the employee's supervisors, the supervisors of any employee subject to allegation (see below), the Human Resources Department, the Office of the Executive Auditor, the Sanctions Committee, the Administrative Tribunal, the ICIM, and the Conduct Committee of the Board of Executive Directors (each within its respective jurisdiction).</p> <p>The possibility and duty of IDB Invest employees to report fraud, corruption, and other Prohibited Practices, and the requirement that such reporting can be done anonymously, are regularly communicated as part of IDB Invest's integrity-related training efforts.</p> <p>The IDB Group's Whistleblower Reporting and Protection Policy expressly prohibits acts of retaliation against employees and external parties that report allegations of Prohibited Practices or cooperate with IDB Group authorities in the context of investigations, audits, or other inquiries. This policy also establishes the measures the IDB Group will take to prevent retaliation against employees and external parties that make a report. Reports to OII may be made by mail, in person, through an online form, by email, by phone, or by fax.</p> <p>A link to submit an allegation or report related to fraud or corruption is available to the general public on the IDB Group's website.</p> <p>Further information on IDB Invest's mechanisms for dealing with unethical or unlawful behaviour can be found at: IDB Invest Sustainability Report 2022, pp 44-46</p> <p>Promoting integrity</p> <p>Demonstrating accountability</p>
<p>Governance structure</p> <p>102-18</p>	<p>IDB Invest has a Board of Governors, a Board of Executive Directors, a Chairperson of the Board of Executive Directors, and a Chief Executive Officer (CEO), also referred to as the General Manager. The powers of IDB Invest are vested in its Board of Governors, which has delegated to the Board of Executive Directors all its powers except certain strategic matters reserved to the Governors under the Establishing Agreement.</p> <ul style="list-style-type: none"> • The Board of Executive Directors is responsible for the conduct, direction, and oversight of IDB Invest operations. It exercises all the powers granted to it under the Establishing Agreement or delegated to it by the Board of Governors. • The Chairperson of the Board of Executive Directors: The president of IDB is the ex officio Chairperson of the Board of Executive Directors of IDB Invest and presides over its meetings but does not have the right to vote except in the case of a tie. The Chairperson of the Board of Executive Directors may participate in, but may not vote at, meetings of the Board of Governors. • The CEO, also referred to as the General Manager, is the highest-ranking executive at IDB Invest and is responsible for managing the overall operations and resources of the institution. Additionally, they are responsible, in consultation with the Board of Executive Directors and the Chairman of the Board of Executive Directors, for appointment and dismissal of the officers and staff. <p>The Senior Management team of IDB Invest is composed of the:</p> <ul style="list-style-type: none"> • CEO • Chief Finance and Administration Officer • Chief Investment Officer • Chief Risk Officer • Chief Strategy Officer • General Counsel <p>IDB Invest's senior management is a gender-balanced team of professionals from both regional developing member countries and other member countries of IDB Invest. Collectively they draw from a wealth of experience in international development, national government, commercial and investment banking, risk management, and the law.</p>

Disclosure	2022 Response
Executive-level responsibility for economic, environmental, and social topics 102-20	The Chief Strategy Officer of IDB Invest leads the development and implementation of the institution's corporate strategy and drives high-priority initiatives with upstream interventions. Managing a team of cross-functional experts in development effectiveness, strategic planning and knowledge, ESG, advisory services, communication, corporate affairs, and transparency, they advance the strategic roadmap of the organization in line with its future vision. They are also a member of the Senior Management team.
Consulting stakeholders on economic, environmental, and social topics 102-21	Community engagement is a key element of enhancing the environmental and social sustainability of investments. IDB Invest promotes open, transparent, and inclusive engagement between clients and stakeholders. When IDB Invest updates its policies, it does so through a stakeholder engagement and consultation process to gather input from actors including civil society, practitioners, and academia. The objective of the public consultation is to establish a transparent and constructive dialogue that allows IDB Invest to listen to the suggestions of interested parties and allow everyone to contribute to improving the policy.
Composition of the highest governance body and its committees 102-22	The Board of Executive Directors is composed as follows: i) one Executive Director appointed by the member country having the largest number of shares in IDB Invest (as of the date of this Information Statement, this is the United States); ii) nine Executive Directors elected by the Governors from the Regional Developing Member Countries; and iii) three Executive Directors elected by the Governors from the remaining member countries. Currently, the Board of Executive Directors of IDB Invest is composed of Executive Directors from 13 different nationalities and has three female Directors. The members of the Board of Executive Directors bring to the governance body diverse professional experiences and knowledge in areas such as law, finance, economics, development, management, and industrial engineering. In addition, they have extensive experience in the public and private sectors, as well as having served as governmental officials. The Board of Executive Directors has the following committees: <ol style="list-style-type: none"> 1. the Executive Committee 2. the Audit and Risk Oversight Committee 3. the Committee of the Board of Executive Directors 4. the Special Ad Hoc Committee for Problem Projects In addition, there are two joint committees of the IDB Invest Board of Executive Directors and the IDB Board of Executive Directors: the Steering Committee and the Conduct Committee. The role of each committee is determined under its terms of reference.
Chair of the highest governance body 102-23	The President of IDB is the ex officio Chairperson of the Board of Executive Directors of IDB Invest and presides over meetings of the Board of Executive Directors but does not have the right to vote except in the case of a tie. The Chairperson of the Board of Executive Directors may participate in, but may not vote at, meetings of the Board of Governors.
Nominating and selecting the highest governance body 102-24	The nomination and election of the members of the Board of Executive Directors of IDB Invest are conducted based on the guidelines contained in the Charter for the Election of Executive Directors. Following these guidelines, the Executive Directors are elected by the Governors from the country with the largest number of shares in IDB Invest, the Regional Developing Member Countries, and the remaining member countries.

Disclosure	2022 Response
Role of the highest governance body in setting purpose, values, and strategy 102-26	<p>The Board of Executive Directors is the governance body responsible for defining IDB Invest’s financial, operational, and development priorities. In that role, with the support of the Senior Management team, the Board of Executive Directors defines IDB Invest’s Business Plans for three-year periods. The organizational priorities set by the Board of Executive Directors through the Business Plan are aimed at pursuing IDB Invest’s purpose and mission of promoting economic development through the private sector.</p> <p>To monitor the level of compliance with the Business Plan, the Senior Management team presents quarterly reports to the Board of Executive Directors. Based on these reports, the Board, if necessary, adjusts and updates the Business Plan, to adapt it to the changes in the economic, financial, operational, social, and environmental conditions that can impact IDB Invest’s operations and its ability to fulfill its purpose and mission.</p>
Highest governance body’s role in sustainability reporting 102-32	<p>The Chief Strategy Officer leads all areas related to sustainable value and inclusive impact of IDB Invest’s operations. The Department of Strategy and Development includes an ESG Division and an Advisory Division that leads the development of the Sustainability Report, ensuring that all material topics are covered. The Sustainability Report is reviewed and approved by IDB Invest’s Senior Management team.</p>
List of stakeholder groups 102-40	<p>IDB Invest engages many stakeholders continually. Our main stakeholders include our member countries, clients, and beneficiaries of our development finance projects, others in the communities where we support interventions, civil society, investors, other bilateral and multilateral development agencies and banks, and our employees.</p>
Collective bargaining agreements 102-41	<p>IDB Group employees are not covered by a collective bargaining agreement. Nevertheless, the IDB Group recognizes the right of staff members to associate, has a long-established Staff Association, and generally supports the formation of employee-led associations and groups. The Staff Association is an independent entity committed to creating an enabling work environment and promoting employee welfare at headquarters and in country offices.</p> <p>By the end of 2022, a total of 194 IDB Invest employees (approximately 46% of all employees) are members of the Staff Association.</p>
Identifying and selecting stakeholders 102-42	<p>The impact that IDB Invest has in its member countries, and particularly, in the communities influenced by each of the projects it finances, is to a large extent based on the identification and selection of the stakeholders with which IDB Invest collaborates.</p> <p>At IDB Invest, meaningful stakeholder engagement is a continuous and iterative element of each project cycle and is present from its earliest stages. This engagement is the basis for a constructive relationship with local communities and other groups involved in projects and is a tool for tapping into local knowledge and perspectives that need to be considered in the project. It also helps to identify vulnerable groups, especially those who are disproportionately impacted by the project and have limited access to benefits. More information is available here.</p> <p>As a multilateral financial institution that promotes economic development through the private sector, IDB Invest collaborates with various public and private sector entities. It also interacts regularly with its member countries and key local, national and regional business associations as a conduit for identifying business opportunities that have an impact on the region’s development.</p>
Approach to stakeholder engagement 102-43	<p>IDB Invest engages with stakeholders on three levels: institutional, country-based, and operational.</p> <ul style="list-style-type: none"> • Institutional level: IDB Invest seeks to harmonize policies, develop common approaches, and share lessons learned and good practices through the generation and dissemination of knowledge. IDB Invest also benefits from engagement and dialogue with other stakeholder groups, such as civil society and academia. • Country-based level: In each of the 26 country offices in the region, the IDB Group has a single Country Representative for both the public and private sectors, coordinating work between IDB Invest and IDB; this includes country-based stakeholder engagement with clients and civil society through our local civil society liaisons. • Operational level: Identifying and engaging with stakeholders in a meaningful way is an essential element of the IDB Invest Sustainability Framework – engagement between the client and stakeholders, particularly Affected Communities, is a key element to enhance the environmental and social sustainability of investments. Stakeholder engagement can take many forms. In its simplest form, it consists of one-way dissemination of information. Most projects will require a two-way dialogue with affected and interested stakeholders. Complex, large-scale, high-risk projects will require systematic and thorough engagement with stakeholders throughout the project cycle. The International Finance Corporation’s Performance Standard (IFC PS) 1 requires that a Stakeholder Engagement Plan or a Stakeholder Engagement Framework be developed if the project involves risks of adverse environmental or social impacts.

Disclosure	2022 Response
Key topics and concerns raised 102-44	<p>IDB Invest values transparency and regularly engages in multi-stakeholder dialogues, knowledge sharing, and transparency to advance sustainable development in Latin America and the Caribbean.</p> <p>IDB Invest updated its Sustainability Policy in 2020 and its Access to Information Policy in 2019 to align them to international best practices. The process involved extensive consultations with interested parties, including the private sector, civil society, Indigenous Peoples, Afro-descendant organizations, community representatives, the public sector, and academia. These consultations, in addition to the many stakeholder engagement activities that occur periodically at the country and operational levels, provide IDB Invest with valuable input and the opportunity to engage in meaningful dialogues with diverse organizations.</p> <p>The updated policies reflect IDB Invest’s vision and current best practices relating to environmental and social sustainability, and apply to all activities undertaken and operations financed by IDB Invest, including, among others, direct and indirect financing and technical assistance services. The Sustainability Policy and the Access to Information Policy form part of IDB Invest’s Sustainability Framework.</p>
Entities included in the consolidated financial statements 102-45	<p>IDB Invest does not wholly-own any entity nor subsidiary; therefore, IDB Invest presents standalone financial statements.</p>
Defining report content and topic Boundaries 102-46	<p>In 2022, we conducted an assessment to understand our most material issues. By rating topics relevant to our sector in order of importance to society and to IDB Invest, we can focus our efforts on where we can generate the most impact and provide confidence to our stakeholders that we are focused on the issues that matter to them.</p> <p>Issues in the materiality assessment were scored as low, medium, or high based on two metrics: their influence on stakeholder decisions and assessments, and the significance of their impact on the economy, environment, and society.</p>
List of material topics 102-47	<p>Governance and ethics Climate change Mobilization Human rights Labor, health, and safety Human capital Diversity, equality, and inclusion Biodiversity and natural resources Pollution prevention and resource efficiency Inclusive growth Innovation</p> <p>Please refer to Our Material Issues on p 8 of the 2022 Sustainability Report.</p>
Reporting cycle 102-52	<p>Annual – Calendar year 2022</p>
Contact point for questions regarding the report 102-53	<p>Questions concerning this index should be directed to sustainability@idbinvest.org.</p>

Disclosure	2022 Response
Claims of reporting in accordance with the GRI Standards 102-54	This report has been prepared in accordance with the GRI Standards (2016): Core option.
External assurance 102-56	IDB Invest does not have a policy regarding external assurance for its Sustainability Report or this GRI Index.
Evaluation of the management approach 103-3	<p>The IDB Group's Evaluation Policy Framework establishes the scope and principles that guide evaluations, both for self-evaluation work conducted by IDB and IDB Invest and for independent evaluation work conducted by OVE.</p> <p>OVE undertakes independent and systematic evaluations of the IDB Group's strategies, policies, programs, operations, activities, and systems, and reports its findings to the IDB Group Boards. It disseminates the findings of these evaluations so that recommendations for improvement can be used in the design, appraisal, and execution of new operations. IDB Group management develops Action Plans to respond to the recommendations of these evaluations. OVE's findings, analyses, and conclusions are free from management's influence at all stages of the process. OVE has organizational and behavioral independence and is free from external pressure and conflicts of interest according to the criteria established by the Evaluation Cooperation Group (ECG) of MDBs, of which the IDB is a founding member.</p> <p>IDB Invest is also under the oversight of the Office of the Executive Auditor, which provides objective assurance and advisory services to assess and improve the effectiveness of governance, risk management, and control processes, adhering to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework (IPPF). The scope of internal auditing assurance work is to determine whether governance, risk management, and control processes, are designed adequately, functioning effectively, and represented accurately.</p> <p>In addition, IDB Invest conducts a mandatory final self-evaluation for each operation in the portfolio once it reaches early operating maturity. This evaluation compares the expected and actual impact of each project through a systematic assessment of its efficiency, effectiveness, relevance, and long-term sustainability, and captures the main lessons learned. The final rating of each evaluation is validated by OVE. Aggregate performance results are reported to the Board annually and disclosed publicly in the Development Effectiveness Overview.</p>

ECONOMIC ECONOMIC PERFORMANCE

Disclosure	2022 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>With financing gaps to meet the UN SDGs by 2030 in the trillion of dollars, resource mobilization has become a central element of development finance. Similarly, the Paris Agreement cannot succeed without investment and contribution from the private sector. IDB Invest’s 2.0 strategy centers on scaling the mobilization of private capital toward investments that generate development impact in Latin America and the Caribbean.</p> <p>Boundary: Operational</p> <p>IDB Invest Sustainability Report 2022, Mobilizing resources for impact, p 11</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>IDB Invest has a team responsible for resource mobilization within the Financial Products division of the Investment Operations Department. Mobilization is among IDB Invest’s top Business Plan priorities. IDB Invest sets an annual mobilization target, which was \$2.1 billion in 2022. IDB Invest also contributes to the IDB Group’s 2020–2023 Corporate Results Framework targets for mobilization, as reported annually in the Development Effectiveness Overview.</p> <p>IDB Invest continues to increase the amount it mobilizes relative to its financing, achieving \$3.1 billion in third-party mobilization in 2022. To further scale up mobilization, IDB Invest is refining and diversifying the instruments it uses to mobilize resources, expanding the range of co-investors to which it distributes those assets, and optimizing internal processes to support these efforts.</p> <p>For more on IDB Invest’s mobilization efforts, see our 2022 Annual Report (p 11) and our Resource Mobilization webpage.</p>
<p>Evaluation of the management approach</p> <p>103-3</p>	<p>See the response in the General Disclosure section above (103-3). IDB Invest continually monitors and reports on mobilization targets and progress throughout the year.</p>
<p>Direct economic value generated and distributed</p> <p>201-1</p>	<p>IDB Invest’s Financial Information as of December 31, 2022:¹ Information disclosed in Annual Report 2022</p> <ul style="list-style-type: none"> • Income from development-related debt investments (loans and debt securities), net of provision for credit losses: \$294.7 million • (Provision)/release of provision for credit losses: (\$64.4) million • Income/(loss) from equity investments: (\$25.1) million • Gain/(loss) from liquid assets, net: (\$5.4) million • Borrowing expenses: (\$117.5) million • Other income: \$97.5 million • Income from development-related investments, liquid assets, and other income, net of borrowing expenses: \$244.1 million • Administrative expenses: \$177.3 million • Total other expenses (including administrative expenses): \$180.9 million • Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net: \$41.3 million • Net Income/(loss): \$104.6 million
<p>Financial implications and other risks and opportunities due to climate change</p> <p>201-2</p>	<p>Historically, IDB Invest has been focused on increasing climate finance in its portfolio, and it retains a 30% climate finance target for its financing activities. At the same time, IDB Invest has sought to increase thought leadership and adopt and deploy new climate developments such as the Task Force on Climate-related Financial Disclosures (TCFD), Paris Agreement alignment, net-zero actions, and, more recently, by rolling out nature-based solutions with its clients.</p> <p>This continual effort was grounded in the ambition to generate new business opportunities for clients beyond the financing of climate projects. In 2022, this work included engaging clients to begin identifying nature-positive investments, blue finance, adaptation finance, and alignment with the Taskforce for Nature-related Financial Disclosures. IDB Invest focused much of its climate and related business strategy work to prepare for the operationalization of this plan and commitment, both in terms of internal governance and in terms of substantive sector-related guidance for operational teams.</p>

1. Figures presented have been rounded. Detail may not add to total due to rounding.

ECONOMIC PERFORMANCE CONTINUED

Disclosure	2022 Response
<p>Defined benefit plan obligations and other retirement plans</p> <p>201-3</p>	<p>IDB Invest, as part of the IDB Group, has two defined benefit plans, the Staff Retirement Plan and the Complementary Staff Retirement Plan, jointly managed with the IDB. IDB Invest also provides certain healthcare, tax reimbursement, and other postretirement benefits to eligible retirees under its Postretirement Benefits Plan, which is also jointly managed with the IDB.</p> <p>Details of additional benefits provided to staff and employees.</p>

INDIRECT ECONOMIC IMPACTS

Disclosure	2022 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>Inclusive economic growth benefits and creates opportunities for all segments of society, including groups that are disadvantaged due to race, ethnicity, gender, poverty, sexual orientation, disability, and location, among other factors. IDB Invest promotes inclusive growth in the region by investing in projects that indirectly support disadvantaged groups through increasing productivity and generating economic growth, and through raising standards through the implementation of rigorous safeguards, as well as by investing in projects that directly benefit disadvantaged groups by providing access to services, generating employment, or improving communities.</p> <p>Boundary: Operational</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>Given IDB Invest’s focus on development through the private sector, nearly all projects contribute indirectly to the reduction of poverty, vulnerability, and social exclusion by fostering inclusive economic growth. IDB Invest focuses its efforts on sectors that evidence shows promote inclusive growth and benefit households across the income distribution. In addition, one of IDB Invest’s three strategic pillars is taking a systemic approach to operations, which means having a broader reach beyond direct beneficiaries.</p> <p>IDB Invest’s management approach related to inclusive growth includes various Action Plans and Roadmaps, approved by its Board of Executive Directors, which serve to implement specific strategic objectives, including the Poverty and Vulnerability Roadmap, the MSME Action Plan, and the Action Plan for Small and Island Countries. IDB Invest also has IDB Group-level Action Plans, approved by the Boards of Executive Directors of the IDB and IDB Invest, including the Gender and Diversity Action Plan 2022–2025. In terms of targets, IDB Invest’s Business Plan or Business Plan Update sets origination targets annually for priorities, including 30% of total commitments supporting MSMEs and 30% of long-term transactions having a gender, diversity, and inclusion component.</p> <p>IDB Invest also reports on key metrics related to development priorities through the IDB Group’s 2020–2023 Corporate Results Framework (CRF). Results are published annually in the IDB Group’s Development Effectiveness Overview and on the CRF website.</p> <p>In addition, core to IDB Invest’s management approach across this and all material topics related to operations is its Impact Management Framework, an end-to-end series of tools and practices that support the complete operation lifecycle from origination and structuring to monitoring, evaluation, learning, and knowledge sharing.</p> <p>IDB Invest’s Development Effectiveness Learning, Tracking, and Assessment (DELTA) impact rating system is a rigorous, evidence-based system that generates an impact score for each operation at approval and updates it over time based on results achieved against targets. IDB Invest uses it to conduct an economic analysis to estimate the benefits and costs of the proposed investment to the economy and society, considering both direct and indirect effects and positive and negative externalities, and calculate an overall economic and social rate of return.</p>

INDIRECT ECONOMIC IMPACTS CONTINUED

Disclosure	2022 Response
The management approach and its components (cont.) 103-2	The economic analysis is complemented by an in-depth stakeholder analysis focusing on who will benefit and how they will benefit, ensuring that the direct and indirect impacts on specific beneficiaries (e.g., MSMEs, poor and vulnerable populations, women, and excluded/diverse populations) are properly accounted for and rewarded in the DELTA score. Regarding indirect impacts, the DELTA assesses the systemic effects of each operation on markets, industries, and economies (i.e., the extent to which the operation benefits the broader private sector by expanding market linkages, improving regulatory frameworks or the business environment, or promoting innovation and knowledge spillovers). For more information on the DELTA and the Impact Management Framework, see this report .
Evaluation of the management approach 103-3	See the response in the General Disclosure section above (103-3). IDB Invest continually monitors and reports on key targets and progress throughout the year.
Infrastructure investments and services supported 203-1	IDB Invest supports infrastructure investments in the transport, energy, water and sanitation, health, and education sectors that contribute to increasing productivity and propelling economic growth. In particular, IDB Invest finances projects that increase the coverage, quality, or capacity of assets and services with a focus on competitiveness, sustainability, and inclusion. The Environmental, Social and Corporate Governance Division (SEG) is responsible for implementing ESG policies and procedures for compliance with IDB Invest’s ESG requirements. Compliance with the Sustainability Framework is defined as meeting applicable requirements of the IFC Performance Standards, carrying out agreed-upon actions in plans referenced in legal contracts between IDB Invest and its clients, and meeting defined procedural requirements including provisions for reporting and supervision. Additionally, IDB Invest formulates recommendations and requirements for client action and monitors the ESG performance of operations in the IDB Invest portfolio.
Significant indirect economic impacts 203-2	As an MDB, the work we do has significant indirect economic impacts by contributing to inclusive economic growth in Latin America and the Caribbean. For example, the operations we finance across sectors have indirect economic impacts on productivity, economic development in high-poverty areas, job creation, and the availability of products and services for low-income populations and MSMEs, among others.

ANTI-CORRUPTION

Disclosure	2022 Response
Explanation of the material topic and its Boundaries 103-1	Integrity is essential to IDB Invest’s mission. Corruption weakens democratic institutions and discourages investment and job creation. Ultimately, it hits the poor and those without access to legal recourse the hardest. The IDB Group’s integrity efforts, which also apply to IDB Invest, focus on three key areas: i) supporting programs that will help countries and companies strengthen good governance, enforce the rule of law, and prevent corruption; ii) ensuring that activities financed by the IDB Group, including by IDB Invest, are executed with proper safeguards, aiming to prevent fraud and corruption; and iii) ensuring that IDB Group staff act in accordance with the highest levels of integrity and that the institution’s internal policies and procedures are aligned with this goal.

ANTI-CORRUPTION CONTINUED

Disclosure	2022 Response
<p>The management approach and its components</p> <p>103-2</p>	<p>In the context of promoting integrity and good governance in the region, the IDB Group is committed to the highest integrity standards in all its operations. In alignment with this commitment, IDB Invest, as part of the IDB Group, has an extensive set of policies and specialized mechanisms to reinforce integrity best practices and avoid Prohibited Practices such as fraud and corruption in its projects.</p> <p>As such, IDB Invest has adopted policies and procedures establishing the integrity review of its investment operations, including an integrity due diligence process that screens counterparties and their managers, shareholders, and ultimate beneficial owners for integrity concerns. In addition, IDB Invest is subject to the IDB Group Sanctions System, which includes a sanctions regime that provides for the investigation and sanctioning of counterparties in the case of alleged Prohibited Practices in its operations.</p> <p>The following is a summary of IDB Invest’s policies and procedures related to integrity risks, including bribery and corruption:</p> <p>IDB Invest Integrity Framework: The Framework establishes principles for the management of integrity risk and its associated reputational and other impacts at IDB Invest. The Framework also includes the definitions of Prohibited Practices, including corruption.</p> <p>IDB Invest Code of Ethics and Professional Conduct: The Code reflects the IDB Group’s expectations for the conduct of its employees, including a prohibition from taking part in Prohibited Practices and other forms of workplace fraud, corruption, or theft. It applies to all IDB Invest personnel.</p> <p>Sanctions Procedures: Procedures that are followed in connection with allegations of Prohibited Practices in IDB Group projects. The procedures also include the definitions of Prohibited Practices.</p> <p>The above policies, including the prohibition of corruption and other misconduct, apply to all IDB Invest staff, irrespective of grade. As such, IDB management is also subject to the policies and can be held accountable.</p> <p>The following are the units/departments at the IDB Group that play a role in developing and implementing integrity- and ethics-related programs in connection with IDB Invest activities.</p> <p>Office of Ethics: The Office of Ethics’ mandate is to interpret and enforce the IDB Invest Code of Ethics and Professional Conduct. To do so, the Office administers the Declaration of Interests program, answers consultations from employees about possible ethics-related issues, provides ethics training, and investigates allegations of misconduct, including ethical violations as defined by the Code of Ethics and allegations of Prohibited Practices by IDB Invest staff. The Chief of the Ethics Office reports directly to the IDB President, who is also the Chairperson of the Board of Executive Directors of IDB Invest.</p> <p>OII: OII is an oversight unit within the IDB Group and plays a key role in the IDB Group’s integrity efforts. OII, as an integral part of the Sanctions System, is responsible for investigating allegations of fraud and corruption in IDB Group-financed activities and making efforts to prevent them. Annually, OII and the Sanctions System report their activities in their publicly available annual report. In its investigations, OII follows the Principles and Guidelines for Investigations, incorporated in the Uniform Framework for Preventing and Combating Fraud and Corruption adopted by the International Financial Institutions Anti-Corruption Task Force. OII’s prevention activities aim to identify, assess, and mitigate integrity and reputational risks from IDB Group-financed activities. To this end, OII extracts lessons learned from investigations and conducts training activities to improve the IDB Group’s knowledge regarding the identification of integrity risks or Prohibited Practices. OII also develops and enforces policies and mechanisms to strengthen the overall integrity of IDB Group-financed activities. The Office reports its ongoing activities and significant findings to the Bank and IDB Invest’s senior management and the Audit Committee of the IDB Board of Executive Directors and the Audit and Risk Oversight Committee of the IDB Invest Board of Executive Directors. In cases where national laws may have been broken, OII can refer information to national authorities.</p> <p>Sanctions Officer: The Sanctions Officer is the first instance of the Sanctions System’s adjudication phase. The Sanctions Officer evaluates the sufficiency of the evidence presented by OII and the Respondent and issues a Determination. If the Sanctions Officer finds that a Prohibited Practice is supported by a preponderance of the evidence, the Sanctions Officer determines the sanction applied to the Respondent. If the Determination is that the Prohibited Practice is not supported by a preponderance of the evidence, the allegations are dismissed, and proceedings terminated. Determinations issued by the Sanctions Officer against Respondents can be appealed before the Sanctions Committee.</p>

ANTI-CORRUPTION CONTINUED

Disclosure	2022 Response
<p>The management approach and its components (cont.)</p> <p>103-2</p>	<p>Sanctions Committee: The Sanctions Committee is the second and final instance of the Sanctions System’s adjudication process. It decides the appeals presented by the Respondents against the Determinations issued by the Sanctions Officer. The sanctions imposed by the Sanctions Committee and the Sanctions Officer are published by the Sanctions Committee and are publicly available.</p> <p>Compliance Function: As part of IDB Invest’s Legal Department, the Compliance function plays a key role in liaising with OII and the Office of Ethics concerning integrity and reputational risk policies and procedures, and in connection with sensitive matters regarding the prevention or remediation of such risks in connection with IDB Invest projects. The Compliance function is also responsible for managing IDB Invest’s programs on business/structural conflicts of interest and anti-money laundering/countering the financing of terrorism (AML/CFT).</p>
<p>Evaluation of the management approach</p> <p>103-3</p>	<p>See the response in the General Disclosure section above (103-3).</p>
<p>Operations assessed for risks related to corruption</p> <p>205-1</p>	<p>IDB Invest conducts regular integrity reviews of all its investment operations, including an integrity due diligence process that screens counterparties and their managers, shareholders, and ultimate beneficial owners for integrity concerns. Such mandatory review is conducted not only during project origination, but also yearly as part of the annual supervision required for each of IDB Invest’s projects, and at certain milestones of the investment cycle. IDB Invest also implements controls to ensure that its operations and corporate transactions comply with AML/CFT measures.</p>
<p>Communication and training about anti-corruption policies and procedures</p> <p>205-2</p>	<p>According to OII and the Sanctions System’s 2022 Annual Report, in 2022 OII responded to 1,285 integrity-related consultations from IDB Invest. Of those, 910 related to projects in origination (i.e., not yet in execution) and 375 related to projects in supervision (in execution). Also, out of 672 integrity due diligences conducted on projects, 112 referred to full integrity risk assessments in origination projects, of which OII concluded that 60 (53%) presented minimal risk; 40 (36%) presented heightened risk resulting in integrity disclosures to the IDB Invest Board of Executive Directors and, frequently, mitigation measures; and 12 (11%) presented significant risk and, as such, did not proceed to approval.</p>
<p>Confirmed incidents of corruption and actions taken</p> <p>205-3</p>	<p>All new IDB Invest employees, including management and Board members, participate in an onboarding seminar that provides an overview of the mission, goals, and organizational structure of IDB Invest and the IDB Group, as key aspects of operations and human resources management, among other things.</p> <p>In addition, as part of its preventive activities, IDB Invest, through its Compliance function and OII, carries out mandatory training for different organizational units, including country offices and country representatives, to reinforce employees’ awareness of IDB Invest’s Integrity Framework and of managing integrity risks in IDB Invest-financed operations.</p> <p>In 2022, IDB Invest conducted a total of 14 training sessions or other knowledge-sharing activities related to integrity and related topics. Some of those were offered not only to IDB Invest employees in headquarters and country offices but also to the general public, including business partners and other stakeholders, through two integrity-related sessions as part of IDB Invest’s 2022 Sustainability Week. Such training sessions for IDB Invest staff reached over 700 participants.</p> <p>In addition, the Office of Ethics provides training to IDB Group employees on the Code of Ethics and related topics, including personal conflicts of interest.</p> <p>There currently are no legal cases brought against IDB invest or its employees in judicial courts regarding corruption issues.</p>
<p>Confirmed incidents of corruption and actions taken</p> <p>205-3</p>	<p>According to OII and the Sanctions System’s 2022 Annual Report concerning investigations and sanctions cases related to IDB Group activities as a whole, in 2022 OII received 104 new complaints of Prohibited Practices and had a total of 133 active complaints. It processed 113 complaints and submitted 9 cases, implicating 24 Respondents (companies, consultants, and other counterparties) for review by the Sanctions Officer. Of the 54 firms and individuals sanctioned by the Sanctions System in 2022 (either by the Sanctions Officer, by the Sanctions Committee, or as a result of negotiated resolution agreements), 42 were on grounds that included corruption. 59 debarments (prohibition from contracting with the IDB Group) by the IDB Group Sanctions System became effective in 2022. Also, the Sanctions System published 174 debarments imposed by other MDBs and recognized by the IDB Group under the Cross-Debarment Agreement with other MDBs.</p> <p>There currently are no legal cases brought against IDB invest or its employees in judicial courts regarding corruption issues.</p>

ENVIRONMENTAL ENERGY

Disclosure	2022 Response
Explanation of the material topic and its Boundaries 103-1	<p>The IDB Group is committed to reducing the environmental impact of activities at Bank facilities. Through our internal Corporate Sustainability Program, we develop projects to lower our impact, establish and promote environmental awareness in the workplace, and encourage and support IDB Group employees to become more conscious of the impact of their actions on the environment.</p> <p>Through its financing, IDB Invest, part of the IDB Group, actively supports the low-carbon and climate-resilient development of the private sector in the Latin America and the Caribbean (LAC) region. Aligning IDB Invest's financing to the mitigation and adaptation goals of the Paris Agreement is part of this ongoing agenda, and thus, one of the actions contemplated in the IDB Group Climate Change Action Plan 2021-2025. Additional information on climate-finance targets can be found in the TCFD Disclosure.</p> <p>Boundary: Corporate and Operational</p>
The management approach and its components 103-2	<p>At the IDB Group, we have a long-standing commitment to reducing the environmental impact of our corporate activities. Our program focuses on climate, energy, water, waste, and transport, and is aligned with the IDB Group's strategic priorities on climate change and environmental sustainability. We continually strive to be a more sustainable organization. We are currently focused on achieving the following objectives: (i) By 2023, reduce the emissions levels of our facilities and fleet reported in 2018 by 14%. (ii) Achieve zero waste at headquarters. (iii) Install solar panels in nine of our offices.</p> <p>The following energy indicators account for IDB Invest, including the calculation of the per capita impact. IDB Group employee information as of year-end 2022 was 2,306 active staff and 1,184 consultant full-time equivalents (these figures include 418 active staff and 91 consultant full-time equivalents from IDB Invest). Please note that for the determination of full-time equivalents, Products and External Services Consultants (PECs) are excluded.</p> <p>Corporate energy-related data is collected at the IDB Group level. Hence, all data relates to the IDB Group figure, prorated with the proportion of employees working for IDB Invest (i.e., 15.1% in 2021, and 14.9% in 2022).</p> <p>The boundary has been set as corporate because, on the operational side, IDB Invest does not manage the purchases and contracts derived from the projects it finances. Project implementation and administration are the responsibility of borrowers. However, IDB Invest does review procurement and contracting to ensure compliance with its policies and procedures.</p>
Evaluation of the management approach 103-3	<p>See the response in the General Disclosure section above (103-3).</p>
Energy consumption within the organization 302-1	<p>a. Total consumption of energy within the organization related to corporate activities was 12,308 GJ. This includes IDB Group-owned and leased fleet vehicles that consumed approximately 514 GJ of non-renewable fuel and 1022 GJ from stationary fuels.</p> <p>b. In 2022, the country offices in Brazil, the Bahamas, the Dominican Republic, Haiti, Jamaica, Nicaragua, and Uruguay consumed approximately 277 GJ of self-generated renewable energy from solar photovoltaic systems installed at country offices.</p>

ENERGY CONTINUED

Disclosure	2022 Response			
Energy consumption within the organization (cont.) 302-1	c. d. e. See “Table for topic 302-1” below.			
	GJ of	2022	GJ of	2022
	Non-renewable Fuel Consumed	1,535	Non-renewable Energy	12,031
	Renewable Fuel Consumed	277	Renewable Energy	277
	Purchased Electricity	10,495	Global Electricity	10,773
	Self-generated Electricity Not Consumed	N/A		
	Sold Electricity	N/A		
	Total Energy Consumption	12,308		
	f. g. The energy reporting boundary includes all IDB Group-owned and leased offices worldwide. The Bank collected all energy consumption data from our HQ and 26 COF offices and did not sell any energy in 2022. Energy consumption data was converted to GJ using general conversion factors as local factors were unavailable.			
Energy intensity 302-3	a. The energy intensity ratio of the organization related to corporate activities in 2022 was 152 GJ/capita. This intensity is calculated by dividing the total global office energy consumed (including stationary fuel, electricity, and heating) within our IDB Group organization in each respective year by the number of IDB Invest personnel. b. IDB Invest total employees (staff + consultant full-time equivalents) (520 employees). c. The ratio is calculated by dividing the total global office energy consumed within the organization (including stationary fuel, electricity consumed from the grid and self-generated, and heating for offices) by the number of personnel (For 2022, 78,480 GJ divided by the number of IDB Invest personnel – 520 employees). d. Within the organization.			
Reduction of energy consumption 302-4	a. In 2022, IDB Invest reduced its energy consumption by 1,426 GJ from the 2019 baseline, mostly through a reduction in electrical consumption. b. The energy consumption reflects all stationary and mobile fuels, as well as electricity purchased from the grid and generated by solar panels. c. Purchased electricity consumption at IDB Invest’s country offices was reduced in 2021 by 61 GJ from a 2019 baseline. Since 2019, IDB Invest personnel has increased by 13%. In addition to reductions due to the global pandemic and associated office closures, the ongoing implementation of conservation initiatives, such as the following, contributed to this outcome: <ul style="list-style-type: none"> • Upgrading air conditioning units with more efficient models as they become obsolete • Replacing appliances with Energy Star certified appliances • Installing remote air conditioning temperature control systems, where allowable • Installing occupancy sensors in restrooms, hallways, and low-traffic areas • Retrofitting offices with up-to-date LED lighting • Installing solar panels to reduce energy consumption from the local grid • Installing solar window films • Events to raise staff awareness d. The COVID-19 pandemic was responsible for a significant decrease in 2022 electricity consumption compared to the 2019 baseline (pre-pandemic), as IDB employees worldwide operated under a mandatory telework scenario for most of the year, and most offices altered their operational schedules accordingly. Still, not all energy use could be avoided. Even in un- or minimally occupied buildings, security lights need to remain on, server rooms need to be cooled, and building internal temperatures and humidity levels need to be maintained to protect surfaces from mold or other damage. The year 2019 was chosen as the baseline, as it was immediately before the global pandemic, which significantly impacted the energy consumption of the organization.			

EMISSIONS

Disclosure	2022 Response
Explanation of the material topic and its Boundaries 103-1	<p>Boundary: Corporate and Operational</p> <p>The following greenhouse gas (GHG) emissions indicators account for IDB Invest, including the calculation of the per capita impact. IDB Group employee information as of year-end 2022 was 2,306 active staff and 1,184 consultant full-time equivalents (these figures include 418 active staff and 91 consultant full-time equivalents from IDB Invest). Please note that for the determination of full-time equivalents, PECs are excluded.</p> <p>Scope 1, Scope 2, and business-travel-related Scope 3 GHG emissions data is collected at the IDB Group level. Hence, that data relates to the IDB Group figure, prorated with the proportion of employees working for IDB Invest (i.e., 15.1% in 2021, 14.9% in 2022). Investment-related Scope 3 GHG emissions data is collected at IDB Invest level.</p>
Management approach and its components 103-2	<p>Our new Environmental and Social Sustainability Policy commits us to calculate gross (or absolute) emissions from IDB Invest-financed projects that may generate significant amounts of GHG emissions. We believe in practicing the same approaches in our own offices, too. On the corporate side, technological advances are increasingly making it possible to track how we use resources and in turn implement efficiency measures that help lower consumption, such as a comprehensive recycling program that helps reduce pressure on landfills and natural resources.</p> <p>One metric that IDB Invest monitors and reports is financed emissions, which relates to the GHG Protocol's Scope 3 Category 15: Investments. IDB Invest receives client data and estimates aggregates of absolute GHG emissions of those transactions which are expected to produce above 25,000 metric tons of CO₂ equivalent per annum. Transaction-specific GHG information is disclosed as part of the Environmental and Social Review Summary that is published for every project in accordance with IDB Invest's Access to Information Policy.</p> <p>IDB Invest also measures and reports on GHG emission reductions of projects financed. This metric includes climate change mitigation actions under the different Intergovernmental Panel on Climate Change (IPCC) sectors. Estimations are based on a counterfactual, by comparing projects to a "without project scenario." The estimation of net avoided GHG emissions is performed following the practices of the Clean Development Mechanism (CDM). For instance, avoided emissions are calculated as the product of electricity generation from clean sources, or low carbon, by the relevant emission factor. The emission factor is chosen to better reflect the emissions associated with the counterfactual scenario, and its selection takes into account the project technology and context. At the structuring stage, the analysis is based on the most recent emission factor from official sources or, in the absence of information, from the Default Grid Emission Factor Dataset, produced by the International Financial Institutions' Technical Working Group on GHG Accounting (IFI TWG). In 2022, the active portfolio of IDB Invest reduced an estimated 14,287,299.39 metric tons of CO₂ equivalent compared to a "without project scenario."</p>
Direct (Scope 1) GHG emissions 305-1	<ol style="list-style-type: none"> a. Gross Scope 1 GHG emissions were 119 metric tons of CO₂ equivalent in 2022. b. The GHG inventory includes CO₂, CH₄, and N₂O emissions from electricity and fuel consumption and HFC emissions from refrigerant use. The IDB Group has no emissions of PFCs, SF₆, or NF₃. c. No biogenic emissions were reported. d. Base year: 2021, because it was the year preceding the first reporting. Scope 1 emissions in 2021 were 252 metric tons of CO₂ equivalent. e. GWP source is the GHG Protocol/International Energy Agency (IEA) for Scope 1 and 3. All GWP are automatically updated once new versions of these databases are released. f. Operational control. g. The inventory accounting principles are consistent with the GHG Protocol Corporate Accounting and Reporting Standard. The IDB Group includes all Scope 1 and Scope 2 emissions from its operationally controlled owned and leased facilities in the GHG inventory. In addition, Scope 3 emissions from business air and rail travel are included in the inventory. All Scope 1, 2, and 3 GHG emissions and activity data is collected and calculated in the SoFi enterprise sustainability software tool. <p>The Scope 1 figure relates to the IDB Group figure, prorated with the proportion of employees working for IDB Invest (i.e., 15.1% in 2021, 14.9% in 2022).</p>

EMISSIONS CONTINUED

Disclosure	2022 Response
Energy indirect (Scope 2) GHG emissions 305-2	<ul style="list-style-type: none"> a. Gross Scope 2 location-based GHG emissions were 1,030 metric tons of CO₂ equivalent in 2022. b. Gross Scope 2 market-based GHG emissions were 297 metric tons of CO₂ equivalent. c. The GHG inventory includes CO₂, CH₄, and N₂O emissions from electricity and fuel consumption and HFC emissions from refrigerant use. The IDB Group has no emissions of PFCs, SF₆, or NF₃. d. Base year: 2021, because it was the year preceding the first reporting. Scope 2 emissions in 2021 were 1,016 metric tons of CO₂ equivalent. e. GWP source is the GHG protocol/IEA and GaBi for Scope 2. All GWPs are automatically updated once new versions of these databases are released. f. Operational control. g. The inventory accounting principles are consistent with the GHG Protocol Corporate Accounting and Reporting Standard. The IDB Group includes all Scope 1 and Scope 2 emissions from its operationally controlled owned and leased facilities in the GHG inventory. In addition, Scope 3 emissions from business air and rail travel are included in the inventory. All Scope 1, 2, and 3 GHG emissions and activity data is collected and calculated in the SoFi enterprise sustainability software tool. <p>The Scope 2 figure relates to the IDB Group figure, prorated with the proportion of employees working for IDB Invest (i.e., 15.1% in 2021, 14.9% in 2022).</p>
Other indirect (Scope 3) GHG emissions 305-3	<ul style="list-style-type: none"> a. Gross Scope 3 GHG emissions related to business travel activities were 872 metric tons of CO₂ equivalent in 2022. Gross Scope 3 GHG emissions related to investments were estimated at 4,023,148 metric tons of CO₂ equivalent in 2022. b. The GHG inventory includes CO₂, CH₄, and N₂O emissions from electricity and fuel consumption and HFC emissions from refrigerant use. The IDB Group has no emissions of PFCs, SF₆, or NF₃. c. No biogenic emissions were reported. d. Business travel (rail and flights) and investment-related financed emissions of active project finance portfolio. e. Base year: 2021, because it was the year preceding the first reporting. Scope 3 emissions related to business travel in 2021 were 130 metric tons of CO₂ equivalent. Scope 3 emissions related to investments in scope were 4,811,007 metric tons of CO₂ equivalent. f. GWP source is the GHG Protocol/IEA and Defra for Scope 1 and 3. All GWP are automatically updated once new versions of these databases are released. g. For business travel: The inventory accounting principles are consistent with the GHG Protocol Corporate Accounting and Reporting Standard. The IDB Group includes all Scope 1 and Scope 2 emissions from its operationally controlled owned and leased facilities in the GHG inventory. In addition, Scope 3 emissions from business air and rail travel are included in the inventory. All Scope 1, 2, and 3 GHG emissions and activity data is collected and calculated in the SoFi enterprise sustainability software tool. <p>For investments: This figure refers to the estimated gross combined Scope 1 and 2 GHG emissions of project finance transactions emitting over 25,000 metric tons of CO₂ equivalent per year that were in the active portfolio of IDB Invest in the respective reporting year. This figure excludes biogenic GHG emissions from stationary sources and is based on both client reporting and IDB Invest's estimates.</p>
GHG emissions intensity 305-4	<p>At a corporate level for the IDB Group, GHG emissions intensity is estimated in two categories:</p> <ol style="list-style-type: none"> 1. In 2022, Scope 1 and Scope 2 location-based emissions were 0.045 metric tons of CO₂ equivalent per square meter (vs. 0.049 metric tons of CO₂ equivalent per square meter in 2021). 2. In 2022, Scope 3 emissions related to business travel were 1.68 metric tons of CO₂ equivalent per capita (vs. 0.58 metric tons of CO₂ equivalent per capita in 2021). <p>The following gases have been included in the intensity ratio and calculations:</p> <ul style="list-style-type: none"> • Carbon dioxide (CO₂) • Methane (CH₄) • Nitrous oxide (N₂O) • Hydrofluorocarbons (HFCs)

EMISSIONS CONTINUED

Disclosure	2022 Response
<p>Reduction of GHG emissions</p> <p>305-5</p>	<p>At the institutional or corporate level, the IDB Group has implemented several initiatives to reduce GHG emissions. These include retrofitting offices with LED lighting and upgrading or replacing mechanical equipment to improve energy efficiency and reduce consumption. In country offices, a multi-year capital project implementation has been able to reduce the GHG emissions associated with electricity consumption through the installation of solar panels and other energy-efficiency measures. The Corporate Sustainability Program also carries out numerous events and activities every year to educate employees and encourage them to adopt more sustainable behaviors.</p> <p>The year 2019 was chosen as the baseline, as it is immediately before the global pandemic, which significantly impacted the GHG emissions of the organization.</p> <ul style="list-style-type: none"> • Scope 1 emissions in 2019 were 148 and in 2022 were 119, demonstrating an absolute reduction of 19%. • Scope 2 emissions using the location-based approach in 2019 were 1233 and in 2022 were 1030, demonstrating a reduction of 16%. • Scope 3 emissions in 2019 were 1792 and in 2022 were 872, demonstrating a reduction of 51%. <p>The inventory accounting principles are consistent with the GHG Protocol Corporate Accounting and Reporting Standard. The IDB Group includes all Scope 1 and Scope 2 emissions from its operationally controlled owned and leased facilities in the GHG inventory. In addition, Scope 3 emissions from business air and rail travel are included in the inventory. All Scope 1, 2, and 3 GHG emissions and activity data is collected and calculated in the SoFi enterprise sustainability software tool.</p> <p>The global pandemic in 2020 and 2021 drastically changed the nature of our GHG emissions. For most of those years, IDB Group employees worldwide operated under a mandatory telework scenario, and all business travel was suspended. In 2022, IDB personnel started to return to office activities and conduct business travel in the LAC region.</p>

Due to quality revisions, minor changes in the data could be observed between reports that are produced in different periods.

BIODIVERSITY

Disclosure	2022 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>IDB Invest is committed to the protection, conservation, management, and sustainable use of biodiversity, natural resources, and ecosystem services by IFC PS 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources).</p> <p>As the region grows economically, it faces new challenges related to balancing the increasing demand for resources with the need to protect and manage natural resources within the context of a changing climate. Therefore, it is critically important for IDB Invest’s clients to understand that sustainable land and forest management can contribute to mitigating climate change while improving the livelihoods of rural populations.</p> <p>We are involved in activities that improve the management of protected areas, strengthen environmental institutions, generate income opportunities for communities in a way that helps them sustain their neighboring ecosystems, manage coastal and marine resources, and support climate change and disaster risk management initiatives in critical watersheds.</p> <p>Boundary: Operational`</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>As stated in the IDB Invest Sustainability Policy, launched in 2020, the institution is committed to the protection, conservation, management, and sustainable use of biodiversity, natural resources, and ecosystem services by IFC PS 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources).</p> <p>In the operations it finances, IDB Invest requires its clients to include measures to safeguard critical habitats and to protect, and where feasible enhance, natural habitats, as well as the biodiversity and corresponding ecosystem services they support. Where relevant, IDB Invest requires its clients to carry out a cumulative impact analysis specific to the proposed operation taking into account direct, indirect, and associated impacts to determine potential synergistic and long-term effects of a project and management plans for protecting natural and critical natural habitats in light of other activities in the area in accordance with the policy mentioned above.</p> <p>Projects supported by IDB Invest are expected to achieve the following objectives:</p> <ul style="list-style-type: none"> • To protect and conserve biodiversity • To maintain the benefits of ecosystem services • To promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities <p>In addition to abiding by local and national laws, clients are expected to implement sustainable management practices and apply international standards and recognized conventions related to biodiversity and living natural resources. Some of these include:</p> <ul style="list-style-type: none"> • The UN Convention on Biological Diversity (1992) • The Cartagena Protocol on Biosafety to the Convention on Biological Diversity (2000) • The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (1975) • The Convention on Wetlands of International Importance especially as Waterfowl Habitat (Ramsar Convention) (1971) <p>If there are potential adverse impacts on biodiversity, clients are required to apply the mitigation hierarchy by seeking first to avoid impacts, and when this is not possible, to apply measures to minimize impacts and to restore biodiversity and ecosystem services. Impacts may be compensated for by other development through the planning process, for example by designating a different area as a protected area. However, biodiversity offsets should only be considered as a last resort. The intention is to ensure no net loss and ideally an overall biodiversity gain.</p>

EFFLUENTS AND WASTE

Disclosure	2022 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>The IDB Group is committed to reducing the environmental impact of activities at Bank facilities. Through our internal Corporate Sustainability Program, we develop projects to lower our impact, establish and promote environmental awareness in the workplace, and encourage and support IDB Group employees to become more conscious of their impacts.</p> <p>Boundary: Corporate</p> <p>The following waste indicators account for the prorated part of IDB Invest (based on its personnel) from the waste indicators for the entire IDB Group. IDB Invest employee information as of year-end 2022 was 418 active staff and 91 consultant full-time equivalents. Please note that for the determination of full-time equivalents, PECs are excluded. The boundary has been set as corporate because, on the operational side, IDB Invest does not manage the purchases and contracts derived from the projects it finances. Project implementation and administration are the responsibility of borrowers. However, IDB Invest does review procurement and contracting to ensure compliance with its policies and procedures.</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>As stated in our Sustainability Policy, under Pollution Prevention and Resource Efficiency, IDB Invest promotes good industrial practice and resource-efficiency strategies to minimize waste and pollution, including GHG emissions, resulting from the projects it finances in accordance with IFC PS 3 (Resource Efficiency and Pollution Prevention). IDB Invest requires its clients to apply relevant IFC Environmental Health and Safety (EHS) Industry sector guidelines to IDB Invest-supported investments as benchmarks for good industry practice and to design, implement, and operate their projects and activities accordingly.</p> <p>In 2022, the IDB Invest headquarters produced 35.6 metric tons of waste, of which 9.1 metric tons came from trash, 9.2 metric tons from recycling, 16.2 metric tons from composting, and 1.2 metric tons from e-waste.</p>

SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

Disclosure	2022 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>Boundary: Corporate</p> <p>The boundary has been set as corporate because, on the operational side, IDB Invest does not manage the purchases and contracts derived from the projects it finances. Project implementation and administration are the responsibility of borrowers. However, IDB Invest does review procurement and contracting to ensure compliance with its policies and procedures.</p> <p>IDB Invest works with public and private companies to extend financing and make health and education services more inclusive. We promote excellence in the provision of services through greater coverage, higher quality, and improved efficiency.</p>
<p>Hazard identification, risk assessment, and incident investigation</p> <p>403-2</p>	<p>A work-related accident occurs as a direct result of the task assigned to the specific job. The Health Service Center documents all work-related injuries/illnesses of IDB Group personnel (staff, consultants, and contractors). For instance, all injuries/illnesses are assessed by a team of nurses and documented in a Cority electronic medical record.</p>

TRAINING AND EDUCATION

Disclosure	2022 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>IDB Invest seeks to promote a results-oriented culture that sustains all employees, aligning personal aspirations with organizational needs by promoting a work environment that allows for flexibility, growth, and development.</p> <p>Boundary: Corporate</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>Human capital is IDB Invest’s most important asset, and the institution works hard to ensure it has the right person in the right place at the right time, and with the right incentives to lead to high performance.</p>
<p>Average hours of training per year per employee</p> <p>404-1</p>	<p>In 2022, IDB Invest contractors received a total of 555.6 hours of training, staff employees received a total of 13,430 hours, and complementary workforce received a total of 2,941 hours.</p>
<p>Programs for upgrading employee skills and transition assistance programs</p> <p>404-2</p>	<p>IDB Invest launched the Advanced Education Incentive Program, an initiative designed to promote the learning, career growth, and innovation opportunities for Staff at IDB Invest, whether based in headquarters or our field offices. The program offers tuition reimbursement for eligible candidates who are pursuing programs that support fields relevant to IDB Invest. The Human Resources Department offers a wide variety of knowledge products. Different programs are created to help employees develop core and leadership competencies according to their role; these are categorized as Managerial, Technical, and Support.</p> <p>Human Resources Department learning programs cover a wide range of topics, from leadership skills to emotional wellness, as well as career growth. Departments can also request on-demand courses and customized solutions for their teams through Advisory Services. These cover a wide variety of themes, from leadership skills to communication, coaching, diversity, equality, and inclusion, and emotional well-being. Specific diversity, equality, and inclusion courses are always offered, and participants can put their learning into practice in a safe space through a virtual reality experiential platform.</p> <p>Some of the courses with the highest number of training hours taken by IDB Invest employees in 2022 were:</p> <ul style="list-style-type: none"> • Adaptive Leadership and Digital Transformation Program • IDB Invest’s Impact Management Framework and DELTA Impact Rating System • Onboarding Session IDB Invest • IDB Digital Transformation Week • Business Conflicts of Interest in IDB Invest Operations • Institutional Orientation Seminar for New IDB Group Personnel and Board Members • Leader as Coach • Mitigating Unconscious Bias in the Interview Process • Spanish Oral Expression and Interaction – Caribbean • 2022 ezShare Basic Training • 2022 StrengthsFinder Program • IT Security Awareness Refresher: You Are the Target • Data Privacy Refresher for the IDB Group • BankLAC 2022: Building a Green and Digital Banking Sector: Opportunities and Challenges • Training on Investigations of Prohibited Practice
<p>Percentage of employees receiving regular performance and career development reviews</p> <p>404-3</p>	<p>100% of staff members. 100% of full-time consultants receive a different type of feedback (not formalized due to contract modality).</p>

DIVERSITY AND EQUAL OPPORTUNITY

Disclosure	2022 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<p>Boundary: Operational and Corporate</p> <p>For IDB Invest, impacts occur at the level of the client, in the supply chain, markets, and operations. IDB Invest acts in a spectrum that goes from risk to added value, mainly through three approaches: first, screening transactions for risk identification and management (Gender Risk Assessment Tool (GRAT)); second, by creating opportunities in value chains, clients' workforces, and markets through financial additionality and advisory services; and finally, by evaluating interventions to create a learning cycle.</p> <p>IDB Invest is committed to the identification of potential gender-based risks and impacts, and requires clients to implement effective measures to avoid, prevent, or mitigate such risks and impacts. The Bank is committed to promoting gender equality and diversity, and requires its clients: i) to identify and address gender-related risks in IDB Invest-supported investments, including by avoiding gender-based exclusion, gender-based violence, sexual exploitation, human trafficking, and sexually transmitted diseases, and including by having the client define and put in place specific measures to prevent and address these risks if the assessment indicates a risk of gender-based violence or other gender-related risks; and ii) to ensure the inclusion of all genders in the consultation processes in accordance with the IFC Performance Standards.</p> <p>Gender, diversity, and inclusion (GDI) are priorities to achieve the SDGs in 2030 and to recover from the COVID-19 pandemic. LAC have made limited progress regarding social inclusion and reducing inequalities. The crisis's highly visible and disproportionate impacts on women and diverse groups (Indigenous Peoples, Afro-descendants, persons with disabilities, and LGBTQ+ persons) enhance the opportunity to design programs and support private sector strategies that promote gender and diversity equality and reduce the risk for these populations.</p> <p>IDB Invest has started the recertification process for EDGE, the leading global business-certification standard for workplace gender and intersectional equity. Our last certification took place in 2021 when the IDB Group became the first development bank in the Americas, and second worldwide, to achieve the second level of this prestigious distinction – EDGE Move.</p>
<p>The management approach and its components</p> <p>103-2</p>	<p>Gender equality and diversity is one of the cross-cutting institutional priorities identified in the IDB Invest 2022 Business Plan, the Sector Framework, and the IDB Group-wide Gender and Diversity Action Plan for 2022-2025. The operationalization of this topic is also found in the Sustainability Policy. Regarding data, the IDB Gender Policy calls for the sex-disaggregation of beneficiaries, including data disaggregated by sex for all commitments that have indicators capturing individual beneficiaries. In addition, where the unit of measure is an enterprise or a household, teams are encouraged to capture data on whether the enterprise is women-owned/led or the household head is a woman.</p> <p>The current corporate indicator and corresponding target focus on having 30% of all transactions include a gender component, and this target is disaggregated to 25% women and 5% LGBTQ+; people with disabilities, Indigenous Peoples, and Afro-descendants.</p> <p>The new proposed* indicators are as follows:</p> <ul style="list-style-type: none"> • GDI mainstreaming 100% of all transactions • GDI projects 60% of all long-term transactions • GDI disaggregated Data 100% of all transactions <p>Regarding resources, IDB Invest has four Gender and Diversity Officers, and all Environment, Social, and Corporate Governance Officers (26) are trained to identify gender risks. Finally, IDB Invest is in the process of training focal points in all sectors to build capacity among Investment Officers.</p> <p>Stakeholders have three different channels to submit complaints regarding environmental and social impacts of an IDB Invest financed project including via a project level grievance mechanism (a requirement under IDB Invest's Sustainability Policy), by reaching out to IDB Invest's Management Led Grievance Mechanism (MGM) or by contacting the ICIM – Independent Consultation and Investigation Mechanism.</p>

* Contingent to IDB Invest recapitalization and approval by the Board of its New Vision and Business Model Implementation Plan.

DIVERSITY AND EQUAL OPPORTUNITY CONTINUED

Disclosure	2022 Response
<p>Diversity of governance bodies and employees</p> <p>405-1</p>	<p>IDB Invest is committed to gender diversity, equality, and inclusion in our internal practices.</p> <p>Diversity of governance bodies and employees, including staff and consultants:</p> <p>Gender</p> <p>50% female</p> <p>50% male</p> <p>Age group</p> <p>Under 30 = 6%</p> <p>30-50 = 77%</p> <p>Over 50 = 17%</p>
<p>The ratio of basic salary and remuneration of women to men</p> <p>405-2</p>	<p>The ratio of basic salary and remuneration of women to men:</p> <p>Grades C and above</p> <p>International: 0.98</p> <p>National/USA 0.91</p> <p>Grade D</p> <p>International: 0.98</p> <p>National/USA: 0.97</p>

FORCED OR COMPULSORY LABOR

Disclosure	2022 Response
<p>Explanation of the material topic and its Boundaries</p> <p>103-1</p>	<ul style="list-style-type: none"> a. IDB Invest promotes the responsibility of businesses to respect human rights, including the prohibition of child and forced labor. b. IFC PS 2 (Labor and Working Conditions) prohibits clients from employing forced labor, defined as any work or service not voluntarily performed that is expected from an individual under threat of force or penalty. This covers any kind of involuntary or compulsory labor, such as indentured labor, bonded labor, or similar labor-contracting arrangements. IFC PS 2 also prohibits clients from employing trafficked persons. c. There are no specific limitations regarding the topic boundary.

FORCED OR COMPULSORY LABOR CONTINUED

Disclosure	2022 Response
The management approach and its components 103-2	<p>Projects go through common phases of concept and identification, preparation, approval, implementation, completion, and closure. At the initial stage prospective clients are advised about IDB Invest’s policies and standards, and agree to meet the requirements. IDB Invest will only finance operations that are expected to meet the Sustainability Policy’s environmental and social requirements within a reasonable time frame.</p> <ul style="list-style-type: none"> a. IDB Invest conducts environmental and social due diligence (ESDD) of all transactions before their approval, which includes an assessment of each client’s compliance with the forced labor requirements of IFC PS 2. IDB Invest also assesses client policies and procedures for supply chain management, including prohibiting child and forced labor by suppliers. If any gaps are identified, an Environmental and Social Action Plan (ESAP) is developed to address these gaps. This ESAP is included in the loan agreement, so its implementation is a contractual obligation. After approval, IDB Invest conducts regular environmental and social (E&S) supervision to assess client compliance with national laws and regulations, ESAPs, and IDB Invest’s Sustainability Policy and Performance Standards. IDB Invest’s ESDDs and E&S supervisions often include site visits to the client’s facilities and project sites to assess labor conditions. b. The purpose of IDB Invest’s approach is to continually assess and enforce client compliance with IDB Invest requirements, including its prohibition on child and forced labor. c. IDB Invest’s approach includes: i) a policy-level prohibition on child and forced labor (IFC PS 2); ii) a commitment to enforce this policy requirement on all transactions that it finances; iii) a goal of no child or forced labor on all transactions that it finances; iv) responsibility of the client to comply with these requirements, under the supervision of IDB Invest; v) provision of resources to assist clients in implementing IDB Invest’s E&S requirements; vi) requirements for clients to develop and implement a community grievance mechanism (IFC PS 1) and a worker grievance mechanism (IFC PS 2), as well as the implementation of IDB Invest’s MGM, open to all stakeholders of IDB Invest-financed projects and operations; and vii) programs to help train and provide support for clients in the implementation of IDB Invest requirements.
Evaluation of the management approach 103-3	<ul style="list-style-type: none"> a. IDB Invest is constantly working to improve its E&S policies and procedures and how they are implemented, including its prohibition on child and forced labor. IDB Invest also regularly develops guidance notes and other publications designed to help its staff and clients to better understand and implement its E&S policies and procedures. IDB Invest also participates in several working groups with other MDBs on improving E&S policies and procedures and their implementation.
Operations and suppliers at significant risk for incidents of forced or compulsory labor 409-1	<ul style="list-style-type: none"> a. IDB Invest has identified a heightened risk of forced labor in the production of solar panels, specifically in the lower tiers of their supply chain (i.e., raw materials and polysilicon). b. IDB Invest has developed specific measures to mitigate the risk of forced labor in solar panel supply chains, including i) enhanced due diligence of all transactions with a solar component; ii) contractual provisions against forced labor in loan agreements; iii) central monitoring of all transactions with a solar component; iv) coordination with other MDBs to share information and develop a “common approach” to address the issue; and v) coordination with solar industry associations and clients to share information on industry trends and develop solutions to the issue.

RIGHTS OF INDIGENOUS PEOPLE

Disclosure	2022 Response
Explanation of the material topic and its Boundaries 103-1	<ul style="list-style-type: none"> a. IDB Invest is committed to fostering full respect for the human rights, dignity, aspirations, culture, and livelihoods of Indigenous Peoples, Afro-descendants, and other vulnerable groups. b. IDB Invest requires clients to undertake: i) participation and inclusion for Indigenous Peoples and other vulnerable groups, and prevention or minimization of adverse impacts on Indigenous Peoples, Afro-descendants, and other vulnerable groups in accordance with IFC PS 1 (Assessment and Management of Environmental and Social Risks and Impacts) and IFC PS 7 (Indigenous Peoples); and ii) avoidance of potential impacts on Indigenous Peoples “in voluntary isolation” or “in initial contact” as a result of an IDB Invest transaction, including taking appropriate measures to recognize, respect, and protect their land and territories, environment, and health, and avoid all undesired contact with them as the consequence of a project. IDB Invest also commits to avoid financing projects that would result in such undesired contact. c. There are no specific limitations regarding the topic boundary.
The management approach and its components 103-2	<ul style="list-style-type: none"> a. IDB Invest conducts ESDD of all transactions before their approval, which includes an assessment of client compliance with IFC PS 7 (Indigenous Peoples), including circumstances requiring Free, Prior, and Informed Consent (FPIC). If any gaps are identified, an ESAP is developed to address these gaps. This ESAP is included in the loan agreement, so its implementation is a contractual obligation. After approval, IDB Invest conducts regular E&S supervision to assess client compliance with national laws and regulations, ESAPs, and IDB Invest’s Sustainability Policy. IDB Invest’s ESDDs and E&S supervisions often include site visits that include meetings with Affected Communities as defined by IFC PS 1, including Indigenous communities. b. The purpose of IDB Invest’s approach is to continually assess and enforce client compliance with IDB Invest requirements, including IFC PS 7. c. IDB Invest’s approach includes i) a policy-level requirement to obtain FPIC under certain circumstances (IFC PS 7); ii) a commitment to enforce this policy requirement in all transactions that it finances; iii) a goal for clients to obtain the FPIC of all Indigenous communities under the required circumstances; iv) responsibility of the client to comply with these requirements, under the supervision of IDB Invest; v) provision of resources to assist clients in implementing IDB Invest’s E&S requirements; vi) requirements for clients to develop and implement a community grievance mechanism (IFC PS 1) that is open to and culturally appropriate for Indigenous Peoples (IFC PS 7), as well as IDB Invest’s implementation of an MGM open to Indigenous Peoples; and vii) programs to help train and provide support for clients in the implementation of IDB Invest requirements.
Evaluation of the management approach 103-3	<ul style="list-style-type: none"> a. IDB Invest is constantly working to improve its E&S policies and procedures and how they are implemented, including those related to Indigenous Peoples. For example, IDB Invest consulted with stakeholders, including civil society organizations during the update of its Sustainability Policy in 2020, which includes requirements related to Indigenous Peoples in voluntary isolation or in initial contact that go beyond IFC PS 7. IDB Invest also regularly develops guidance notes and other publications designed to help its staff and clients to better understand and implement its E&S policies and procedures. IDB Invest also participates in several working groups with other MDBs on improving E&S policies and procedures and their implementation.
Incidents of violations involving the rights of Indigenous Peoples 411-1	In 2022, IDB Invest’s MGM did not receive any grievances related to Indigenous People issues or where complainants identified themselves as Indigenous.

HUMAN RIGHTS ASSESSMENT

Disclosure	2022 Response
Explanation of the material topic and its Boundaries 103-1	<ul style="list-style-type: none"> a. IDB Invest promotes the responsibility of businesses to respect human rights, guided by the International Bill of Human Rights and the eight fundamental Conventions of the International Labour Organization. b. IDB Invest requires its clients to have in place an approach to assess potential human rights risks and impacts, respect human rights, avoid infringement on the human rights of others, and address adverse human rights risks and impacts on IDB Invest-supported projects. c. There is no specific limitation regarding the topic boundary, provided there is no conflict with host country laws and regulations.
The management approach and its components 103-2	<ul style="list-style-type: none"> a. IDB Invest conducts ESDD of all transactions before their approval, which includes an assessment of contextual risks that may indicate a higher risk of human rights abuses. If any gaps are identified, an ESAP is developed to address these gaps. This ESAP is included in the loan agreement, so its implementation is a contractual obligation. After approval, IDB Invest conducts regular E&S supervision to assess client compliance with national laws and regulations, ESAPs, and IDB Invest's Sustainability Policy. IDB Invest's ESDDs and E&S supervisions often include site visits that include meetings with Affected Communities as defined by IFC PS 1. b. The purpose of IDB Invest's approach is to continually assess and enforce client compliance with IDB Invest's cross-cutting human rights requirements. c. IDB Invest's approach includes i) a policy-level requirement to respect human rights; ii) a commitment to enforce this policy requirement on all transactions that it finances; iii) a goal of no human rights abuses by IDB Invest-financed projects and operations; iv) responsibility of the client to comply with these requirements, under the supervision of IDB Invest; v) provision of resources to assist clients in implementing IDB Invest E&S requirements; vi) requirements for clients to develop and implement a community grievance mechanism (IFC PS 1), as well as IDB Invest implementation of an MGM open to all stakeholders of IDB Invest-financed projects and operations; and vii) programs to help train and provide support for clients in the implementation of IDB Invest requirements.
Operations that have been subject to human rights reviews or impact assessments 412-1	<ul style="list-style-type: none"> a. Human rights are covered as a cross-cutting issue in IDB Invest's Sustainability Policy and the IFC Performance Standards. As a result, IDB Invest assesses human rights risks and impacts on all transactions that it finances.
Employee training on human rights policies or procedures 412-2	All Environmental, Social, and Corporate Governance Officers at IDB Invest are trained in identifying, assessing, and addressing human rights risks and impacts. An Officer is assigned to and assesses the human rights risks and impacts of every IDB Invest transaction.
Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening 412-3	<ul style="list-style-type: none"> a. All IDB Invest loan agreements require client compliance with its Sustainability Policy and the Performance Standards, which cover human rights as a cross-cutting issue. b. All IDB Invest loan agreements.

LOCAL COMMUNITIES

Disclosure	2022 Response
Explanation of the material topic and its Boundaries 103-1	Due to the nature of the impacts, projects involving land acquisition and involuntary resettlement can affect the vulnerable population (e.g., people with no formal land titling and/or Indigenous Peoples) the most. In these situations, IDB Invest requires its clients to carry out avoidance of forced eviction and involuntary resettlement as a priority, and where avoidance is not possible, provision of fair compensation and livelihood improvement or restoration to the persons or group(s) that are physically or economically displaced, including those that are displaced by restriction of access to their household, community, or source of livelihood, in accordance with IFC PS 1 and IFC PS 5 (Land Acquisition and Involuntary Resettlement).
The management approach and its components 103-2	<p>Projects financed by IDB Invest can lead to undesired impacts on communities and the environment. For these situations, IDB Invest has in place an Environmental and Social Sustainability Policy. It requires the application of robust risk management standards to address E&S impacts and enhance the E&S sustainability of IDB Invest's financed projects.</p> <p>IDB Invest's investment agreements include obligations requiring clients to comply with applicable requirements of the IFC Performance Standards and conditions included in Action Plans, as well as relevant provisions for E&S reporting and supervision visits by IDB Invest staff or representatives, as appropriate. IDB Invest's Sustainability Policy exemplifies IDB Invest's commitment to sustainable development as the foundation of its approach to risk management.</p> <ul style="list-style-type: none"> a. Avoidance of forced eviction and involuntary resettlement as a priority, and where avoidance is not possible, provision of fair compensation and livelihood improvement or restoration to the persons or group(s) that are physically or economically displaced, including those that are displaced by restriction of access to their household, community, or source of livelihood. b. Preservation of cultural heritage, including both tangible forms of cultural heritage and intangible forms of culture, such as the traditional knowledge of Indigenous Peoples, which clients will be required to protect. <p>Fully operational in 2022, the MGM is a new channel to address ESG grievances received by project-affected people and communities. The MGM aims to identify and resolve grievances at an early stage and throughout the lifecycle, helping to ensure our policies are complied with and strengthening the sustainability of our clients.</p>
Operations with local community engagement, impact assessments, and development programs 413-1	<ul style="list-style-type: none"> a. IDB Invest requires its clients to identify and develop measures to mitigate the E&S risks and impacts of all IDB Invest-financed projects and operations. A formal Environmental and Social Impact Assessment is required for all Category A and high-risk Category B projects, as well as in those other cases in which it is required to comply with host country laws and regulations. IDB Invest requires its clients to consult with stakeholders in the project area of influence and develop a Stakeholder Engagement Plan (SEP) for all projects and operations with Affected Communities as defined by IFC PS 1. The SEP must include stakeholder identification and mapping, as well as a description of past and planned stakeholder engagement activities. IDB Invest also requires its clients to have a community grievance mechanism.
Operations with significant actual and potential negative impacts on local communities 413-2	<p>IDB Invest categorizes all transactions according to their potential E&S risks and impacts. Category A projects are those that could result in potentially significant environmental and/or social risks and impacts, which are diverse, irreversible, or unprecedented, and may extend beyond the boundaries of the actual project site or facilities.</p> <p>Stakeholders have three different channels to submit complaints regarding environmental and social impacts of an IDB Invest financing project: a) project level grievance mechanisms (a requirement of the IDB Invest Sustainability Policy), b) reaching out to IDB Invest Management Led Grievance Mechanism (MGM) or c) contacting the ICIM (Independent Consultation and Investigation Mechanism).</p>

