

Environmental and Social Review Summary (“ESRS”) Victory Park Capital Investor Fund W, L.P. – LAC Fintech Debt Fund / 14737-01 – Regional

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- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) review of the proposed transaction included an analysis of the Investment Process, Environmental and Social Management System (“ESMS”), Human Resources policies and procedures, and a review of the investment portfolio and pipeline of the LAC Fintech Debt Fund (the “Fund”), along with communications with the team of Victory Park Capital Advisors, LLC (“VPC”), the Fund Manager.
- 2. Environmental and Social Categorization and Rationale.** The proposed transaction is classified as FI-2 in accordance with IDB Invest’s Environmental and Social Sustainability Policy, since the associated E&S risks are considered to be low to moderate. The Fund’s investments will be focused on Technology-Based Financial Institutions (“Fintechs”) across Latin America and the Caribbean (“LAC”) markets. The Fund will not finance either Category A (high risk) subprojects, as defined by IDB Invest, or those involving activities included in IDB Invest’s Exclusion List.

The transaction is considered Paris Agreement aligned based on an analysis conducted in accordance with the IDB Group Paris Alignment Implementation Approach.

- 3. Environmental and Social Risks and Impacts.** The main E&S risk of this transaction is associated with Fund’s capacity to identify and manage the E&S risks in relation with its investment activities to Fintech companies, where risks are mainly associated to labor and working conditions. The E&S impacts and risks associated with the subprojects are considered low to moderate in nature.
- 4. Mitigation Measures.** The Fund has an Environmental, Social and Governance (“ESG”) Policy which is commensurate for the risk level of the subprojects and meets IIC’s Sustainability Policy requirements. VPC has designated an ESG Coordinator and an ESG Officer who are responsible for compliance oversight and implementation of the policy across the Fund and their investments.

The Fund has an Employee Handbook and a Diversity, Equity and Inclusion Policy that incorporate a set of fundamental principles designed to manage human capital in a fair, inclusive, ethical, and productive manner. The handbook includes a grievance procedure for employees. The Fund will ensure that all its investments comply with IDB Invest's exclusion list and applicable local laws.

- 5. Environmental and Social Action Plan (“ESAP”).** N/A.
- 6. Contact Information** For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see **Investment Summary** tab), or IDB Invest using the email divulgacionpublica@iadb.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to mecanismo@iadb.org or MIICI@iadb.org, or calling +1(202) 623-3952.