

Environmental and Social Review Summary (“ESRS”)

Banco Interamericano de Finanzas: Subordinated Bond to Boost the Green Portfolio in Peru / 15638-01

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- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) assessment of the proposed transaction was carried out during the third quarter of 2025, through a review of documentation and discussions with the Environmental, Social, and Climate Risk Unit, as part of the supervision process and the update of the sustainable finance scorecard. Policies and procedures related to E&S risk management, human resources, and the development of sustainable products were analyzed. Banco Interamericano de Finanzas S.A. (“BanBif” or the “Bank”) is an existing client of IDB Invest, whose performance is considered satisfactory.
- 2. Environmental and Social Categorization and Rationale.** The proposed issuance is classified as FI-2, in accordance with IIC’s Environmental and Social Sustainability Policy. The potential environmental and social risks of the subprojects included in the issuance are considered moderate. That is, the sub-loans are expected to involve activities with potentially adverse environmental and social impacts or risks that are limited, relatively few, generally site-specific, mostly reversible, and manageable through mitigation measures.

Eligible projects for the green bond primarily focus on the corporate segment and mostly fall under the following categories of the green portfolio: sustainable agriculture and forestry, sustainable construction, circular economy, sustainable water use, energy efficiency, clean transportation, renewable energy (under 10MW), among others.

The Bank serves various segments, mainly corporate (37%), mortgage (23%), large enterprise financing (15%), medium-sized enterprises (6%), and consumer loans (14%). BanBif’s total portfolio shows a concentration in the manufacturing sector (25%), followed by commerce (18%), real estate activities (11%), agriculture, livestock, forestry, and fishing (9%), mining (7%), transportation and storage (6%), construction (2%), among others.

The underlying loans must comply with the criteria of the Green Bond Framework, aligned with the International Capital Market Association (“ICMA”) Principles for Thematic Bonds. As part of this issuance, BanBif will not finance subprojects classified as Category A (high risk), as defined by IDB Invest, nor those involving activities included in its exclusion list.

The transaction is aligned with the Paris Agreement, based on the analysis conducted under the IDB Group’s Paris Alignment Implementation Approach, considering the Bank’s commitment to strengthening climate risk management, as detailed in Section 5 of the Environmental and Social Action Plan (“ESAP”).

- 3. Environmental and Social Risks and Impacts.** The main E&S risks associated with the issuance are linked to BanBif’s capacity to adequately identify and manage risks arising from its lending activities, particularly in green corporate projects. Potential risks include issues such as land use change, deforestation, biodiversity loss, water resource pollution, occupational and community health and safety, waste generation, handling of hazardous materials, labor rights, and the use of migrant labor, among others.

The E&S impacts and risks associated with the subprojects are expected to be moderate and will be managed by BanBif in accordance with its E&S risk assessment and mitigation procedures, further strengthened by the measures outlined in Section 5 of this report.

4. **Mitigation Measures.** BanBif has an Environmental, Climate, and Social Policy and has adopted an Environmental, Social, and Climate Risk Management System (“ESCRS”), updated in September 2024, which includes climate assessment as one of its objectives and incorporates the real estate sector within its scope. The ESCRS requires compliance with national environmental, social, and labor legislation, as well as the Performance Standards of the International Finance Corporation (“IFC”). BanBif applies ESCRS to all its clients and classifies them into three E&S risk categories: high (A), medium (B), and low (C), based on sector, size, location, magnitude, and project sensitivity. The threshold for applying IFC Performance Standards is not explicitly defined in the ESCRS.

The ESCRS includes supply chain analysis for solar projects, action plans, and contractual clauses in loan agreements. Credit approval and disbursement are subject to ongoing compliance with these plans and clauses.

BanBif’s E&S Unit, under the Risk Vice Presidency, consists of two trained professionals: the Head of Environmental, Social, and Climate Risk, and an Environmental and Sustainability Risk Analyst.¹ Both collaborate with executives and analysts from the Corporate, Business, and Commercial Banking divisions in gathering and analyzing information, and are responsible for preparing and monitoring action plans, as well as supporting the Wholesale and Retail Banking Vice Presidencies.

The Bank has a mechanism, managed by the E&S Unit, to address inquiries from external stakeholders. This procedure allows the public to submit comments on the environmental policy or financed projects and receive a response within seven days. The Bank’s human resources policies are aligned with IFC Performance Standard 2 on Labor and Working Conditions.

Since 2023, the Bank has calculated its indirect emissions related to financed activities using the methodology of the Partnership for Carbon Accounting Financials (“PCAF”). BanBif has implemented a green lending program to support the decarbonization of its financing activities.

BanBif will continue strengthening its ESCRS as part of its continuous improvement process during implementation. Due diligence assessments of green or climate-related corporate projects, through the implementation of the ESCRS, will include climate risk and natural habitat conversion analysis and management. Bank personnel responsible for implementing ESCRS and conducting general risk assessments will receive training on its application.

To ensure better understanding of IDB Invest’s requirements, staff responsible for supervising and implementing the ESCRS must attend IDB Invest’s Environmental and Social Risk Management training workshop for financial intermediaries.

¹ <https://www.banbif.com.pe/RiesgosAmbientalesSociales>.

5. Environmental and Social Action Plan (“ESAP”):

Item	Task	Activity	Deliverable	Timeline
Standard 1: Assessment and Management of Environmental and Social Impacts				
Environmental, and Social Assessment and Management System				
1	Strengthening the ESCRs	Establish the application of IFC Performance Standards for those sub-loans within the issuance with amounts equal to or greater than US\$5 million and terms equal to or greater than 36 months.	Strengthened ESCRs	Six months after the first disbursement or upon the first bond transaction equal to or greater than US\$5 million and 36 months, whichever occurs first
2	Assessment of the first three transactions within the green (Corporate) segment with medium E&S risk where IFC Performance Standards apply (transactions ≥ US\$5 million and ≥36-month term)	BanBif will submit the first three transactions for IDB Invest’s review and comments to: (i) confirm E&S categorization; and (ii) evaluate the proposed action plan (if one exists)	Environmental and Social Due Diligence Report for the three transactions	Upon completion of each report
3	Climate Risk Management	1. Procedure for identifying and managing climate risk integrated into the ESCRs 2. Annual reporting on its implementation	1. Consolidated procedure for identifying and managing climate risks as part of the ESCRMS 2. Annual compliance report	1. Six months after the first disbursement 2. As part of the annual environmental and social monitoring and compliance report
4	Natural Habitat Conversion Risk Management	1. Develop a procedure for identifying and managing the risk of natural habitat conversion in agriculture and agribusiness subprojects under the bond, integrated into the ESCRMS 2. Annual reporting on its implementation	1. Procedure for identifying and managing the risk of natural habitat conversion as part of the ESCRMS 2. Annual compliance report	1. Six months after the first disbursement 2. As part of the annual E&S monitoring and compliance report
Organizational Capacity and Competency				
5	Strengthening the support team of the E&S Unit	Business executives and analysts from the Corporate Banking division who are more closely involved in the implementation of the ESCRs and responsible for corporate projects that may trigger the Performance Standards will attend IDB Invest’s “ESMS in Practice” ² general training course	Course completion certificate	Twelve months after the first disbursement

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 MICI@iadb.org, or calling +1(202) 623-3952.

² <https://cursos.iadb.org/es/temas/gestion-riesgo-ambiental-y-social/gestion-riesgos-ambientales-sociales-saras-accion> (available in February 2026).