ASSESSMENT
9 November 2026

Send Your Feedback

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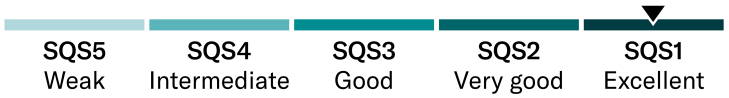
Inter-American Investment Corporation

Second Party Opinion – Sustainable Bond Portfolio (as of 31 December 2025) Assigned SQS1 Sustainability Quality Score

Summary

We have assigned an SQS1 sustainability quality score (Excellent) to the Inter-American Investment Corporation's (IDB Invest) sustainable bond portfolio as of year-end 2025, under the bank's sustainable debt framework published in January 2021. The portfolio is in alignment with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2025, Social Bond Principles (SBP) 2025 and Sustainability Bond Guidelines (SBG) 2021, and it has incorporated Moody's Ratings identified best practices for all four components. The projects financed under the portfolio is also in accordance with the bank's framework-level criteria. Net proceeds from the sustainable bond portfolio have been allocated to 10 of the 11 eligible categories in the bank's framework. The sustainable bond portfolio demonstrates a high contribution to sustainability.

Sustainability quality score



SQS1

Alignment with principles
USE OF PROCEEDS

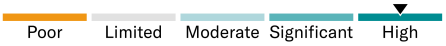
Overall alignment



FACTORS	ALIGNMENT
Use of proceeds	
Evaluation and selection	
Management of proceeds	
Reporting	

Contribution to sustainability

Final contribution to sustainability



Preliminary contribution to sustainability
Relevance and magnitude

Additional considerations **No adjustment**

POINT-IN-TIME ASSESSMENT

Scope

We have provided a second party opinion on whether the proceeds from the bank's sustainable bond portfolio as of year-end 2025 have been allocated in alignment with the ICMA's GBP 2025, SBP 2025 and SBG 2021, as well as whether the issuances in the portfolio are in line with the bank's commitments in its sustainable debt framework dated January 2021.

Our assessment is based on IDB Invest's sustainable bond portfolio draft report as of year-end 2025, as well as the bank's sustainable debt framework published in January 2021. Our opinion reflects our point-in-time assessment[1] of the details contained in these documents, and other public and non-public information provided by the issuer.

Our work does not constitute an assurance, verification or audit.

We produced this SPO based on our Assessment Framework: Second Party Opinions on Sustainable Debt, published in October 2025.

Issuer profile

The Inter-American Investment Corporation (IDB Invest), the private-sector institution of the Inter-American Development Bank (IDB) Group, is a multilateral development bank focused on promoting sustainable development and strengthening private-sector enterprises across Latin America and the Caribbean. IDB Invest is owned by 48 member countries, including 26 countries in Latin America and the Caribbean.

It provides financing across sectors including financial institutions, energy, transport, agribusiness, manufacturing, digital infrastructure and social infrastructure. In 2025, IDB Invest delivered a record $13.1 billion in total activity, including $7.7 billion in mobilized capital, reflecting its growing role in leveraging private investment for regional development.

Strengths

» Strong due diligence on environmental and social risks that applies to all projects in the portfolio as part of the project evaluation and selection process, including public disclosure of key findings and actions plans where applicable

» Eligible projects under the 2025 year-end portfolio address a wide range of environmental and social (E&S) objectives that are highly relevant to the bank's lending activities and the region in which it operates

» Majority of the projects for the green portfolio adhere to stringent international standards and thresholds

» High likelihood of timely and consistent reporting for future issuances, given the bank's track record of post-issuance reporting for its previous sustainable bonds

Challenges

» Although the supply-side approach supports food availability in the food security category, demonstrating benefits for the most vulnerable populations and affordability remains challenging

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

Alignment with principles

IDB Invest's sustainable bond portfolio as of year-end 2025 is aligned with the four core components of the ICMA's GBP 2025, SBP 2025 and SBG 2021 and incorporates Moody's Ratings best practices across all four components. A detailed assessment by factor for alignment with principles is provided below. For a summary alignment with principles scorecard, please see Appendix 1.

- ☑ Green Bond Principles (GBP)
- ☑ Social Bond Principles (SBP)
- ○ Sustainability-Linked Bond Principles (SLBP)
- ○ Green Loan Principles (GLP)
- ○ Social Loan Principles (SLP)
- ○ Sustainability Linked Loan Principles (SLLP)

Use of proceeds

Not aligned | Partially aligned | Aligned | **Best practices**

Clarity of the eligible categories – BEST PRACTICES

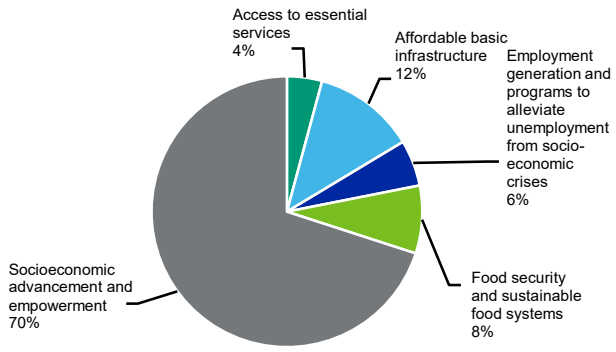
As of 31 December 2025, IDB Invest has allocated approximately $4.8 billion of the $5.2 billion net proceeds issued between 2021 and 2025 under its sustainable debt framework. About 75% of the allocated net proceeds have been directed to eligible social investments, with the majority of proceeds allocated to the socioeconomic advancement and empowerment category. The remaining 25% allocated net proceeds have been directed to green eligible investments, mostly under the renewable energy category. For more details on the distribution of proceeds across green and social categories, see Exhibits 1 and 2.

Projects financed through the sustainable bond portfolio as of year-end 2025 are clearly defined. The eligible green and social investments in IDB Invest's sustainable bond portfolio are in line with the framework's eligibility criteria. The year-end 2025 portfolio provides comprehensive project-level descriptions that complement the framework's eligibility criteria, particularly for categories where specific thresholds are not defined under the Framework. The target populations benefiting from eligible social investments are clearly defined and consistent with the framework's eligibility criteria. All financed investments are located in IDB Invest's borrowing member countries, in line with the bank's development objectives and framework commitments. The countries with the largest shares of the portfolio allocation were Mexico (30%), Brazil (17%) and Colombia (10%), while each of the remaining countries accounted for less than 10% of the allocation.

Exhibit 1

Social categories have received the majority of overall investment allocation

Social use of proceeds allocation between 2021 and 2025

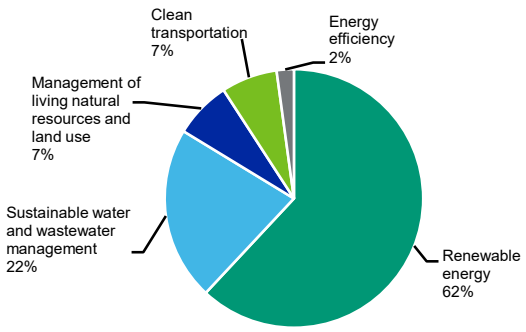


Source: IDB Invest's annual sustainable bond use of proceeds report for the period ending 31 December 2025

Exhibit 2

Most eligible green investments have been allocated to renewable energy

Green use of proceeds allocation between 2021 and 2025



Source: IDB Invest's annual sustainable bond use of proceeds report for the period ending 31 December 2025

Clarity of the environmental or social objectives – BEST PRACTICES
The bank has clearly outlined the environmental and social objectives associated with the eligible categories. The eligible categories are relevant to their respective objectives and are coherent with international standards, including the United Nations' (UN) Sustainable Development Goals (SDGs). The issuer has also assessed the portfolio's contribution to each SDG, providing additional visibility in this regard. See Appendix 2 for more details.

Clarity of expected benefits – BEST PRACTICES
Relevant benefits have been clearly defined for all eligible projects, with detailed impact indicators disclosed in the bank's reporting. While IDB Invest has not typically disclosed the estimated share of refinancing prior to each issuance due to its portfolio-level approach to proceeds management, transparency is supported by annual reporting of the portfolio's refinancing levels. Historical disclosure covering the past three years, together with ongoing annual reporting, provides investors with visibility into the refinancing percentage for a large portion of the portfolio before proceeds from new issuances are added. For the year-end 2025 portfolio, the refinancing level was 47%. The look-back period established in the bank's pre-issuance commitments has been followed and is no longer than 24 months.

Process for project evaluation and selection



Transparency and clarity of the process for defining and monitoring eligible projects – BEST PRACTICES
IDB Invest's has followed its commitments regarding the decision-making process for determining the eligibility of projects, which is formalized in its sustainable debt framework. The bank's Impact Officer assesses each new loan's use of proceeds against the framework's eligibility criteria, in coordination with the origination team and subject to relevant review and approval processes, with eligibility decisions formally recorded in the bank's systems. Projects must meet minimum development impact requirements and applicable environmental and social (E&S) and corporate governance policies. All the projects financed are subject to E&S due diligence and, where relevant, an E&S action plan to mitigate E&S risks associated with the project, especially for projects with relevant risks identified. The E&S due diligence and action plan are publicly available in the bank's website. The Impact Development, Treasury and Technology teams also conduct an annual review of the eligible portfolio to confirm continued alignment with the framework based on the latest client-reported information.

Investments are monitored throughout the maturity of the outstanding bonds to ensure continued compliance with the eligibility criteria. The bank has established a comprehensive environmental and social risk mitigation process that includes the monitoring and identification of controversies and management of risks.

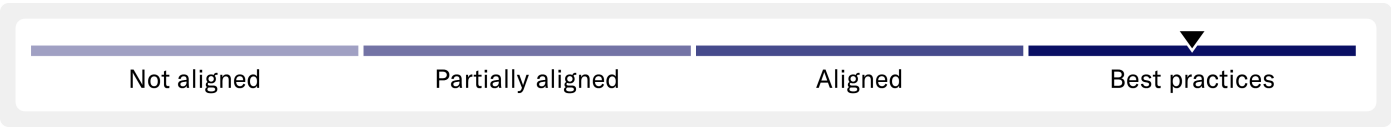
Management of proceeds



Allocation and tracking of proceeds – BEST PRACTICES
IDB Invest reports that it has followed its commitments established for the management of proceeds. The bank has defined a clear process for the management and allocation of proceeds for eligible projects in its framework. Net proceeds from labeled issuances are kept in IDB Invest's general treasury account and earmarked to ensure their appropriate allocation to eligible projects. The allocation period has been no more than 24 months, in line with the commitments established in the bank's framework. As of year-end 2025, approximately 92% of total net proceeds had been allocated. The remaining 8% relates to debt issued in 2025 and therefore remains within the 24-month allocation period.

The bank commits to make annual adjustments of proceeds to projects until all proceeds are allocated. Unallocated proceeds have been held in the general account and in line with IDB Invest's treasury investment guidelines.

Reporting



Reporting transparency – BEST PRACTICES

IDB Invest's reporting is in line with its initial commitments on the frequency of post-issuance reporting, and the bank has confirmed its commitment to reporting until the maturity of the instruments. The October 2026 sustainable bond program allocation and impact report, based on the portfolio as of 31 December 2025, is the bank's fourth consecutive report covering the allocation and sustainability indicators of the portfolio of projects financed by its thematic bond program. The bank first reported on the allocation and impact indicators of its thematic issuances in October 2022, following issuances in 2021. The bank's timely and detailed reporting provides continuous transparency and traceability on the use of proceeds and the sustainability performance of projects under its sustainable bond program.

As part of this assessment, we reviewed the list of eligible investments that have been allocated as of year-end 2025. For the year-end 2025 portfolio, the bank had allocated 92% of net proceeds as of year-end 2025. The reported sustainability indicators for eligible projects are comprehensive, clear and relevant (see Exhibits 3 and 4). The reporting provides sustainability indicators at the portfolio level and discloses the calculation methodologies and assumptions underlying the reported benefits. The bank's previous allocation and impact reports were subject to external review, in line with its established commitments. This SPO provides an external review of the allocation and reported benefits to be presented in the October 2026 allocation and impact report.

Exhibit 3

Aggregated social impact indicators for the use of proceeds allocation between 2021 and 2025

Social impact indicators (Realized)	2019-2025
Jobs supported by firms (#)	5,426,508
Beneficiaries of employment support initiatives (#)	13,457
Amount of international trade promoted (USD mill.)	39,168
Number of loans disbursed - women-owned/led MSMEs (#)	2,617,723
Value of export sales (USD mill.)	32,661
Total value of sales (USD)	32,213,076,097
Value of goods purchased from domestic MSMEs (USD mill.)	7,654
Domestic MSME suppliers (#)	20,161
Households benefited from housing and urban development solutions (#)	14,482
MSMEs benefiting from financial and/or non-financial support (#)	1,649,387
People benefited by enhanced gender equality and/or inclusion of diverse population groups (#)	1,219,308
Households with new or improved access to safely managed drinking water and/or sanitation (#)	1,076,016
People receiving quality health and nutrition services (#)	4,562
People with new access to broadband services (#)	6,880

Source: IDB Invest's annual sustainable bond use of proceeds report for the period ending 31 December 2025

Exhibit 4

Aggregated green impact indicators for the use of proceeds allocation between 2021 and 2025

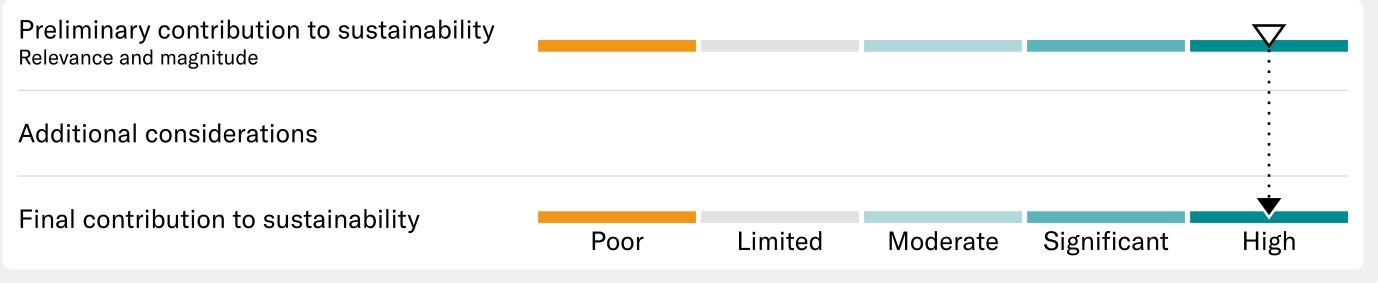
Green impact indicators (Realized)	2019-2025
Installed power generation from renewable energy sources (MW) - flow	1,641
Treated wastewater (m3)	1,187,302,074
Roads built or upgraded (km)	593
Greenhouse gas emissions avoided (Annual tons of CO2 equivalent)	5,623,361
Electricity generated from renewable sources (GWh)	15,796
Energy savings (MWh)	28,466

Green impact indicators (Expected)	2019-2025
Treated wastewater (m3)	6,460,193,488
Installed power generation from renewable energy sources (MW)	1,682
Roads built or upgraded (km)	615
Greenhouse gas emissions avoided (Mill. tons of CO2 equivalent)	35

Source: IDB Invest's annual sustainable bond use of proceeds report for the period ending 31 December 2025

Contribution to sustainability

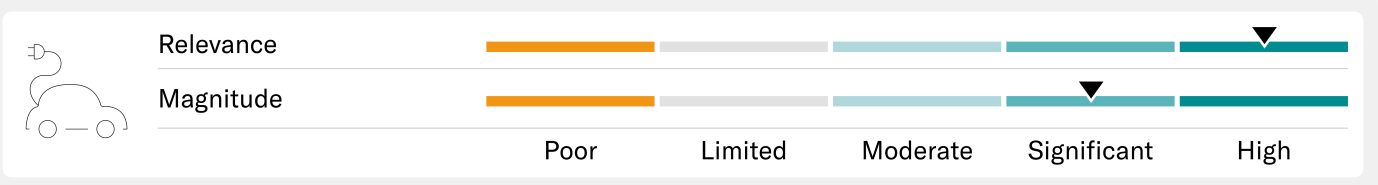
The sustainable bond portfolio as of year-end 2025 demonstrates a high overall contribution to sustainability. This reflects a preliminary contribution to sustainability score of significant based on the relevance and magnitude of the eligible project categories, and we have not made an adjustment to the preliminary score based on additional contribution to sustainability considerations.



Preliminary contribution to sustainability

The preliminary contribution to sustainability is significant, based on the relevance and magnitude of the eligible project categories. According to the year-end 2025 portfolio, socioeconomic advancement and empowerment accounted for the majority of proceeds allocated under the sustainable bonds program. Therefore, we have assigned a higher weight to this category in our assessment of the portfolio's overall contribution to sustainability. A detailed assessment by eligible category has been provided below.

Clean transportation

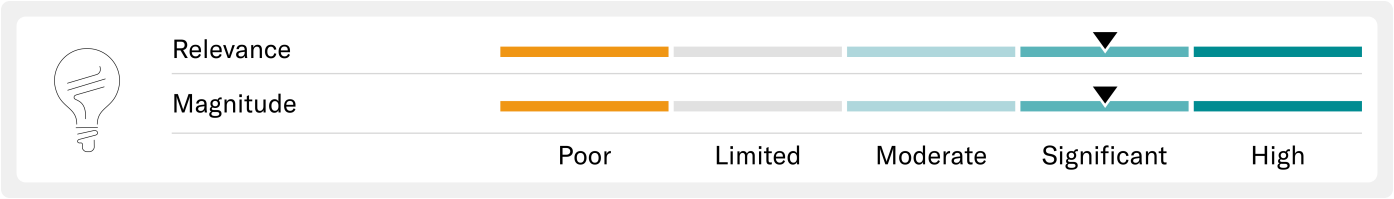


Projects financed under this category address climate change mitigation, which is highly relevant for the transportation sector and the regional context. The transportation sector is the largest source of greenhouse gas emissions in Latin America and the Caribbean, accounting for almost 39% of total emissions.[2] Decarbonizing transportation is particularly important in a region where 80% of the

population lives in cities and the sector is also a major source of air pollution and associated health issues.[3] In addition, a majority of the portfolio projects as of year-end 2025 are located in Colombia, where as of 2023, the transport sector was the second-largest source of greenhouse gas emissions, contributing 16.7% of national emissions.[4]

Projects financed under this category are anticipated to significantly contribute to climate change mitigation through the deployment of low-carbon transportation technologies. The portfolio comprises five projects involving electric vehicles or hybrid technologies, with the majority of proceeds allocated to zero-tailpipe-emission electric vehicles. Two projects also include plug-in hybrid vehicles alongside electric vehicles, representing about 30% of the category. While the larger share of electric vehicles supports the category's contribution to transport decarbonization in an emerging-market context, the inclusion of hybrid technologies, which retain some reliance on fossil fuels, somewhat constrains the overall magnitude of the category.

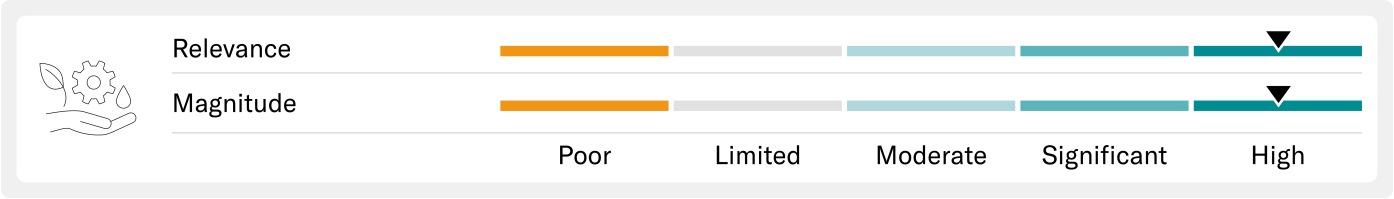
Energy efficiency



Projects financed under this category address climate change mitigation through improvements in energy efficiency, which is significantly relevant to the local context. In Jamaica, where the main project in the portfolio is located, electricity transmission and distribution losses represented 26% of electricity output in 2024, compared with around 3%-5% in some advanced economies.[5] Reducing these losses can lower the carbon footprint of electricity transmission and distribution, although broader power-sector decarbonization in Jamaica will primarily depend on increasing renewable energy penetration.

Projects financed under this category are anticipated to significantly contribute to climate change mitigation, mostly through reductions in electricity distribution losses. The category comprises two projects, with the vast majority of proceeds allocated to an electricity distribution project that is expected to improve system efficiency and reduce associated emissions in Jamaica. In the last two years, the project has shown continued reduction of energy losses, however, there is no visibility on the final reduction target expected. The project also supports electromobility through the installation of electric vehicle chargers and will support Jamaica's national plan to increase the penetration of renewables by 50% by 2037.

Environmentally sustainable management of living natural resources and land use

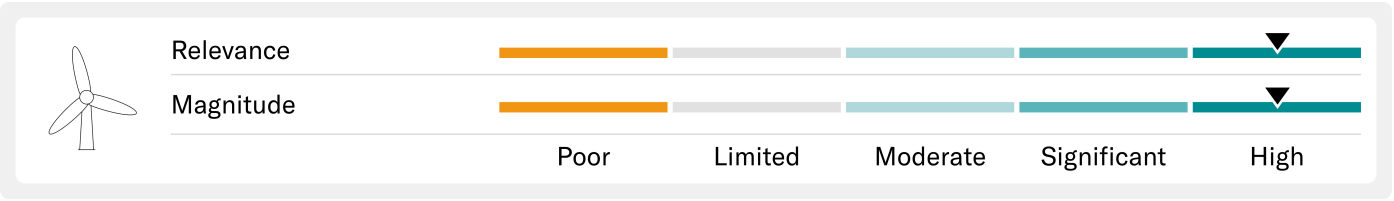


Projects financed under this category address natural resource conservation and climate change mitigation, which are highly relevant in the regional context. Agricultural commodities were linked to 8.6 million hectares of deforestation in the Amazon between 2018 and 2022, equivalent to 36% of global deforestation over the same period.[6] Circular economy and waste management are also important regional challenges. Investment in recycling plants is critical in Brazil because the country recycled only about 4% of its 27.7 million tonnes of recyclable waste, revealing substantial deficiencies in waste recovery infrastructure.[7]

Projects financed under this category are anticipated to highly contribute to natural resource conservation. The category comprises four projects, with the majority of proceeds allocated to mechanical recycling and the expansion of a cooperative's green MSME portfolio, the latter accounting for the largest share. The recycling facility will receive waste from 15 municipalities in Brazil and support the sorting and recycling of plastics, paper, Tetra Pak, steel and aluminum. The MSME financing projects, primarily targeting the Amazonia region, follows the "Amazonia Forever" program launched by the IDB Group. These investments support projects such as installation of solar panels and sustainable agricultural practices, with agricultural loans eligible for satellite monitoring of deforestation risk in the Amazonia. A very small share of proceeds finances palm oil production in Mexico, which typically carries environmental risks. However,

the project has been subject to more stringent due diligence given its inherent environmental risks, including implementation of the IFC Performance Standards in order to manage the risks associated with this project.

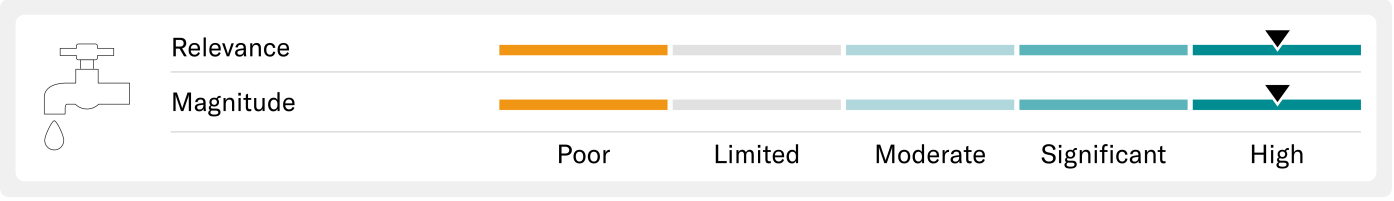
Renewable energy



Projects financed under this category address climate change mitigation, which is highly relevant in the regional context. Final energy demand in Latin America and the Caribbean is projected to grow by approximately 1.5% annually through 2030 under current policy settings.[8] Although renewables already accounted for 69% of the region's electricity generation in 2024, further capacity additions are needed to support the energy transition.[9] By 2050, South America is expected to require around 1,240 GW of additional solar and wind generation capacity, equivalent to annual additions of approximately 48 GW.[10]

Projects financed under this category are anticipated to highly contribute to climate change mitigation. The category comprises 20 projects, of which 17 finance solar plants and wind farms, technologies with strong decarbonization potential. Another project supports renewable energy generation at a pulp and paper facility through enhanced energy recovery from biomass waste. Additionally, one project combines onsite solar generation with waste-to-energy through incineration, which typically entails environmental externalities. However, the project accounts for less than 3% of the portfolio's financing in this category.

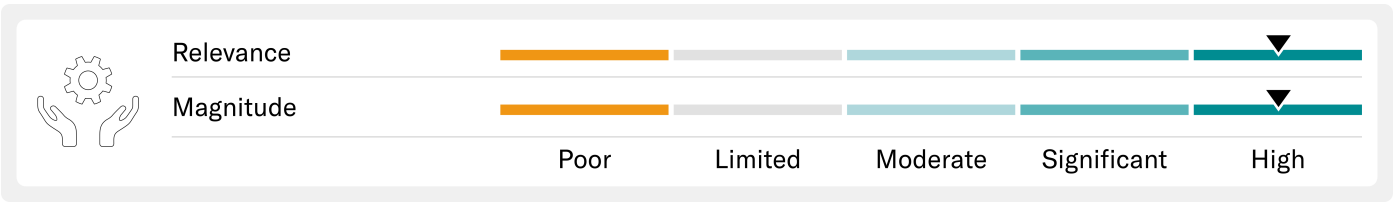
Sustainable water and wastewater management



Projects financed under this category address the sustainable use of water resources and pollution prevention, which are highly relevant to the regional context. Although Latin America and the Caribbean has around one-third of the world's water resources, more than 60% of the region's water bodies are contaminated by industrial waste, agricultural runoff and inadequate sewage systems.[11] Water distribution is also inefficient, with non-revenue water exceeding 40% on average.[12] Particularly in Brazil, where all the projects in the year-end 2025 portfolio are located, roughly 40% of the population lacks access to any sewage system.[13]

Projects financed under this category are anticipated to highly contribute to the sustainable use of water resources and pollution prevention. The category comprises four projects, including investments that materially improve water distribution efficiency and wastewater treatment coverage in Brazil. One project is expected to support the borrower efforts to reduce water losses to 40% from 53% and increase wastewater treatment coverage to 90% from 27%, while also implementing energy efficiency, renewable energy and other measures to reduce greenhouse gas emissions from anaerobic digestion. Moreover, the Aguas do Rio project is expected to support a material reduction in water losses to 25% from 60% by 2035 at corporate level, while increasing wastewater treatment coverage. The project also includes performance-based incentives linked to greenhouse gas emissions mitigation outcomes. Another project is a wastewater treatment project which is expected to, in addition to increasing wastewater treatment rates, also increase the industrial water reuse.

Access to essential services



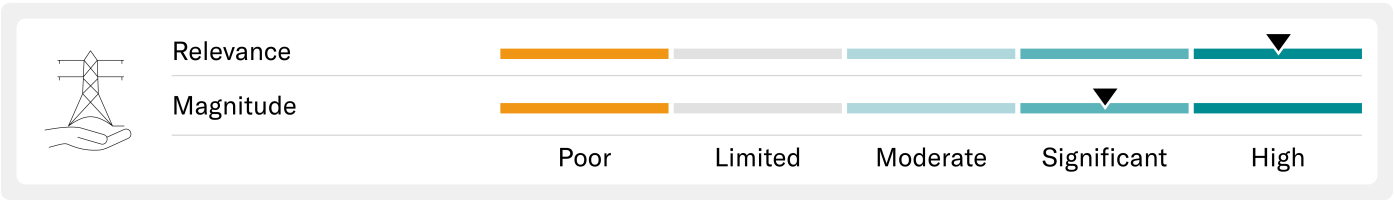
Projects financed under this category address access to essential services, which is highly relevant in Latin America and the Caribbean given persistent gaps in access to water and sanitation. In 2024, 79% of the region's population used safely managed drinking water, meaning about one in five people lacked access.[14] More than 450 million people also lack adequate sanitation, while almost 200 million lack continuous water service.[15]

Projects financed under this category are expected to highly contribute to improving access to essential services. Three of the four projects relate to water and sanitation infrastructure and account for the majority of proceeds allocated to this eligible category. Access to water infrastructure, including drinking water supply, distribution networks and sewage systems, provides relevant social benefits by supporting public health, reducing inequalities and promoting social inclusion, particularly in underserved communities.

The bank has provided visibility on the local context where the projects were developed, which involved locations with relatively high poverty rates, unemployment and lower coverage of the services, supporting the high vulnerability grade of the population benefited by these projects. Additionally, these projects are coupled with subsidies to the most vulnerable, providing affordability characteristics to the target population.

The remaining project expands healthcare coverage in Ecuador, with up to 30% of beds expected to be allocated to patients referred by the public system through a partnership with the Ecuadorian Social Security Institute (IESS for its acronym in Spanish), with the aim of reducing waiting times in a context of high poverty. Although this project is expected to primarily benefit a population that may not be the most vulnerable in the local context, it represents a relatively small share of the category.

Affordable basic infrastructure



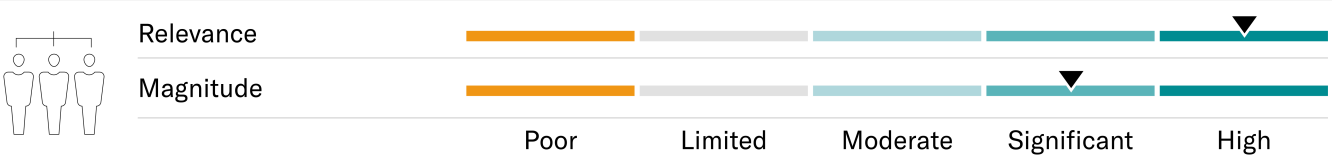
Expenditures that increase the affordable basic infrastructure are highly relevant in Latin America and the Caribbean given material gaps in healthcare, education and housing. The region has an average of two physicians and 3.6 nurses per 1,000 people, compared with OECD averages of 3.5 and 10.3, respectively.[16] Educational disparities are also pronounced: 84.6% of students in the highest income quintile completed secondary education in 2021, compared with 44.1% in the lowest income quintile, while completion of upper secondary education was 66.6% in urban areas versus 46.4% in rural areas.[17] Housing needs are also substantial, with the region projected to require 65 million additional housing units by 2050.[18]

Projects financed under this category are anticipated to significantly contribute to increasing the affordable basic infrastructure in the region. The category comprises 13 projects, with the majority of proceeds financing social housing, education and healthcare infrastructure as well physical connectivity through roads and ports. Educational projects in Uruguay provide publicly administered education and childcare, while healthcare investments finance hospitals in Panama that form part of the public system. As educational and healthcare infrastructure are part of the public system, affordability considerations are addressed through the respective education and healthcare systems in each jurisdiction.

Social housing projects are aligned with national programs that incorporate affordability considerations for underserved populations. According to information from the bank, about 80% of the population benefited is classified as low-income groups, demonstrating a relevant focus on the most vulnerable segments of the population. Similarly, some physical connectivity infrastructure is free of

charge and the bank has provided information indicating that the projects are expected to reduce travel times and transportation costs, while supporting economic activity in surrounding areas. We note, however, that some projects are toll-based and may present affordability challenges, particularly for vulnerable users. In addition, road and port infrastructure may also generate some environmental externalities.

Employment generation and programs to alleviate unemployment from socio-economic crises

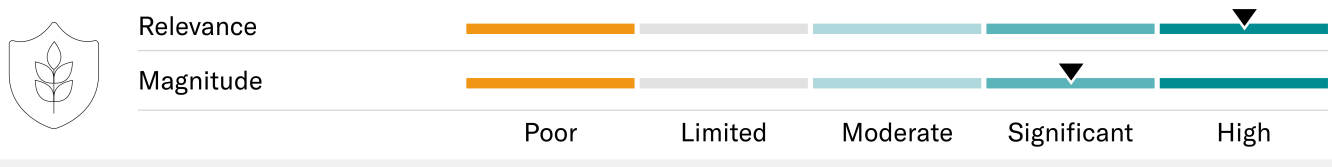


Expenditures that support employment generation address decent work and inclusive economic development are highly relevant in Latin America and the Caribbean. Although unemployment is near historically low levels and poverty has declined, persistently high labor informality,[19] relatively weak productivity and pronounced employment gaps affecting women and young people continue to constrain the extent to which employment translates into durable income growth and upward mobility.[20]

Projects financed under this category are anticipated to significantly contribute to employment generation and socioeconomic advancement. The portfolio comprises 12 projects supporting employment generation, in regions broadly identified as having a highly vulnerable target population, through the financing and expansion of businesses across industries including tourism, textiles, food and beverages, recycling, and sugar, generating direct employment opportunities while also strengthening value chains, with a particular focus on MSMEs. Technical assistance complements financing with measures tailored to individual businesses, including sustainable tourism practices, sustainable use resources such as energy and water, onsite solar generation and support for micro and small suppliers.

Although these projects provide positive social benefits, particularly through support for MSMEs, the visibility into granular details on financing directed the most vulnerable segments such as to micro and small enterprises, remains a challenge. Additionally, projects related with sustainable tourism may be associated to relevant environmental externalities. However, these are expected to be somewhat mitigated by the E&S due diligence and action plans in place by the bank.

Food security and sustainable food systems and land use

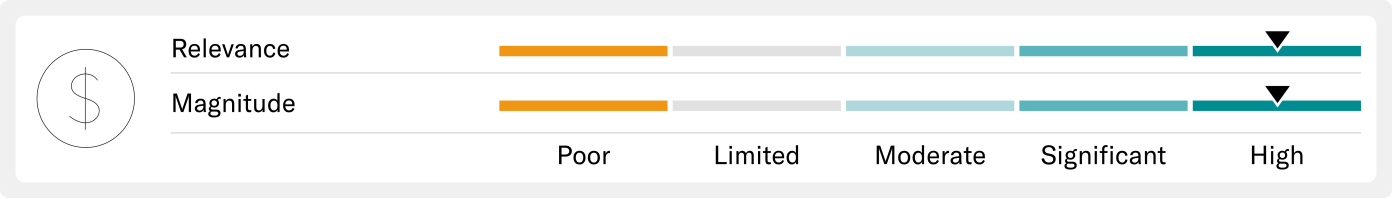


Expenditures that support food security and sustainable food systems address food security, which is highly relevant in Latin America and the Caribbean. Despite recent declines in undernourishment, more than 33 million people in the region still face hunger and 167 million experience food insecurity.[21] Food insecurity has also historically been more prevalent in the region than globally, with 40.6% of the region's population experiencing moderate or severe food insecurity in 2021, compared with 29.3% globally.[22] This challenge persists despite the region accounting for 13% of global food production, as reliance on commodity imports and exports exposes agrifood systems to macroeconomic and geopolitical volatility that can affect food prices and incomes.[23]

Projects financed under this category are anticipated to significantly contribute to food security and sustainable food systems. The category comprises 10 projects that finance food-producing companies and financial institutions providing funding to MSMEs linked to food security objectives. Some projects also strengthen company value chains and support MSMEs and vulnerable groups, including women and low-income populations. Technical assistance can further support MSMEs through access to finance, sustainable practices, productivity and competitiveness, regenerative agriculture and value chain development. Despite some financing supporting livestock activities, which may carry negative externalities, these loans represent a limited share of the category and were subject to the bank's due diligence.

Although these projects provide positive social benefits, particularly through support for MSMEs, the visibility into granular details on financing directed the most vulnerable segments such as to micro and small enterprises, as well as on the affordability characteristics of eligible food, goods and services for vulnerable populations, remains a challenge given that prices are influenced by factors beyond the financed operations.

Socioeconomic advancement and empowerment



Expenditures that support socioeconomic advancement and empowerment address financial inclusion and inclusive economic development, which are highly relevant in Latin America and the Caribbean. SMEs represent 99.5% of enterprises in the region, with microenterprises accounting for 88.4%.[24] Access to finance remains a material challenge. 41% of SMEs in developing countries have unmet financing needs, representing more than $5 trillion in unmet demand, while almost 30% of SMEs in Latin America and the Caribbean face restrictions in accessing finance.[25]

Projects financed under this category are anticipated to significantly contribute to socioeconomic advancement and empowerment. The category comprises 51 projects, with most financing directed to companies with significant exposure to MSMEs in their supply chains, supporting the supply chain through reverse factoring products offered to MSMEs, as well as financial institutions that provide financing to MSMEs. Although the bank does not have information covering 100% of the proceeds allocated to this category, given that not all borrowers report at this level of granularity, the information provided indicates that the majority of financing supports micro and small enterprises, which typically represent the most vulnerable groups within the MSME segments. For supply chain financing, projects representing 93% of the portfolio allocation report that 84% of financing is directed to micro and small enterprises while, for financial institutions, information covering 53% of the segment's portfolio indicates that around 70% of financing is directed to micro and small enterprises.

Beneficiary MSMEs can also receive technical assistance, including training, market access and financial inclusion support, as well as initiatives aimed at strengthening financial health, access to finance, supplier development and long-term resilience and competitiveness.

Additional contribution to sustainability considerations

We have not made an adjustment to the preliminary contribution to sustainability score based on additional considerations.

IDB Invest has robust E&S risk management systems in place for all its operations. The bank manages the potential E&S risks of its financing through its Environmental and Social Sustainability Policy. The policy applies to all of the institution's activities and operations, including direct financing, indirect financing through financial intermediaries and technical assistance. The bank's stated purpose is to enhance the E&S sustainability of financed projects by applying robust E&S risk management standards. Clients must manage E&S risks and impacts in line with the IFC Performance Standards. These standards cover the assessment and management of E&S risks, labor and working conditions, resource efficiency and pollution prevention, community health and safety, land acquisition and involuntary resettlement, biodiversity, Indigenous Peoples and cultural heritage. Clients must also comply with applicable host-country E&S regulations.

IDB Invest's portfolio as of year-end 2025 under its framework is consistent with the IDB Group's sustainability strategy, as set out in its Institutional Strategy for 2024-2030 (IDBImpact+). The strategy rests on three mutually reinforcing objectives including reducing poverty and inequality, addressing climate change, and bolstering sustainable growth.

Appendix 1 - Alignment with principles scorecard for IDB Invest's sustainable bond portfolio as of 31 December 2025

Factor	Sub-factor	Component	Component score	Sub-factor score	Factor score
Use of proceeds	Clarity of the eligible categories	Nature of expenditure	A	Best practices	**Best practices**
		Definition of content, eligibility and exclusion criteria for nearly all categories	A		
		Location	A		
		BP: Definition of content, eligibility and exclusion criteria for all categories	Yes		
	Clarity of the objectives	Relevance of objectives to project categories for nearly all categories	A	Best practices	
		Coherence of project category objectives with standards for nearly all categories	A		
		BP: Objectives are defined, relevant and coherent for all categories	Yes		
	Clarity of expected benefits	Identification and relevance of expected benefits for nearly all categories	A	Best practices	
		Measurability of expected benefits for nearly all categories	A		
		BP: Relevant benefits are identified for all categories	Yes		
		BP: Benefits are measurable for all categories	Yes		
		BP: Disclosure of refinancing prior to issuance and in post-allocation reporting	No		
		BP: Commitment to communicate refinancing look-back period prior to issuance	Yes		
Process for project evaluation and selection	Transparency and clarity of the process for defining and monitoring eligible projects	Clarity of the process	A	Best practices	**Best practices**
		Disclosure of the process	A		
		Transparency of the environmental and social risk mitigation process	A		
		BP: Monitoring of continued project compliance	Yes		
Management of proceeds	Allocation and tracking of proceeds	Tracking of proceeds	A	Best practices	**Best practices**
		Periodic adjustment of proceeds to match allocations	A		
		Disclosure of the intended types of temporary placements of unallocated proceeds	A		
		BP: Disclosure of the proceeds management process	Yes		
		BP: Allocation period is 24 months or less	Yes		
Reporting	Reporting transparency	Reporting frequency	A	Best practices	**Best practices**
		Reporting duration	A		
		Report disclosure	A		
		Reporting exhaustivity	A		
		BP: Allocation reporting at least until full allocation of proceeds, and impact reporting until full bond maturity or loan payback	Yes		
		BP: Clarity and relevance of the indicators on the sustainability benefits	Yes		
		BP: Disclosure of reporting methodology and calculation assumptions	Yes		
		BP: Independent external auditor, or other third party, to verify the tracking and allocation of funds	Yes		
		BP: Independent impact assessment on environmental and social benefits	Yes		
Overall alignment with principles score:					**Best practices**

Legend: BP - Best practice, A - Aligned, PA - Partially aligned, NA - Not aligned

Appendix 2 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The 10 eligible categories included in IDB Invest's sustainable bond portfolio are likely to contribute to 13 of the United Nations' Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 1: No Poverty	- *Affordable basic infrastructure* - *Access to essential services*	1.3: Implement social protection systems and measures for all, and achieve substantial coverage of the poor and the vulnerable
	- *Access to essential services* - *Socioeconomic advancement and empowerment*	1.4: Ensure all have equal rights to economic resources, access to basic services, property ownership and finance
GOAL 2: Zero Hunger	- *Food security and sustainable food systems*	2.3: Double agricultural productivity and incomes of small-scale farmers through equal access to resources and opportunities
		2.4: Ensure sustainable food production systems that improve productivity and support ecosystems and climate change adaptation
	- *Employment generation and programs to alleviate unemployment from socioeconomic crises*	2.C: Adopt measures for efficient food commodity markets and timely access to market information to limit food price volatility
GOAL 4: Quality Education	- *Affordable basic infrastructure*	4.A: Build and upgrade education facilities that provide safe and effective learning environments for all
GOAL 5: Gender Equality	- *Socioeconomic advancement and empowerment*	5.A: Establish women's equal rights to economic resources, access to ownership and control over property and financial services
GOAL 6: Clean Water and Sanitation	- *Access to essential services*	6.1: Achieve universal and equitable access to safe and affordable drinking water for all
	- *Sustainable water and wastewater management*	6.4: Increase water-use efficiency across all sectors and ensure sustainable supply of freshwater to reduce water scarcity
GOAL 7: Affordable and Clean Energy	- *Access to essential services*	7.1: Ensure universal access to affordable, reliable and modern energy services
	- *Renewable energy*	7.2: Increase substantially the share of renewable energy in the global energy mix
	- *Energy efficiency*	7.3: Double the global rate of improvement in energy efficiency
	- *Access to essential services*	7.B: Expand infrastructure and upgrade technology for sustainable energy services to all in emerging markets
GOAL 8: Decent Work and Economic Growth	- *Employment generation and programs to alleviate unemployment from socioeconomic crises* - *Socioeconomic advancement and empowerment*	8.3: Promote policies that support productivity, job creation, entrepreneurship, innovation, and encourage the growth of SMEs

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 8: Decent Work and Economic Growth	- *Environmentally sustainable management of living natural resources and land use*	8.4: Improve global resource efficiency and endeavour to decouple economic growth from environmental degradation
GOAL 9: Industry, Innovation and Infrastructure	- *Socioeconomic advancement and empowerment*	9.3: Increase SMEs' access to finance, and their integration into value chains and markets, particularly in emerging markets
		9.A: Facilitate sustainable infrastructure development in emerging markets through financial and technical support
	- *Affordable basic infrastructure*	9.C: Increase access to information and communications technology and provide universal and affordable access to the Internet
	- *Socioeconomic advancement and empowerment*	9.C: Increase access to information and communications technology and provide universal and affordable access to the Internet
GOAL 10: Reduced Inequality	- *Socioeconomic advancement and empowerment*	10.2: Empower and promote the social, economic and political inclusion of all
GOAL 11: Sustainable Cities and Communities	- *Affordable basic infrastructure* - *Clean transportation*	11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all
GOAL 12: Responsible Consumption and Production	- *Environmentally sustainable management of living natural resources and land use*	12.2: Achieve the sustainable management and efficient use of natural resources
		12.3: Halve global food waste at the retail and consumer levels and reduce food losses along production and supply chains
		12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse
GOAL 13: Climate Action	- *Environmentally sustainable management of living natural resources and land use*	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

The United Nations' Sustainable Development Goals (SDGs) mapping in this SPO considers the eligible project categories and associated sustainability objectives/benefits documented in the issuer's annual sustainable bond use of proceeds report (for the period ending 31 December 2025) and the sustainable debt framework dated January 2021, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 3 - Summary of eligible categories allocated between 2021 and 2025 in IDB Invest's framework

Eligible Categories	Potential Eligible Projects	Sustainability Objectives	Impact Reporting Metrics
Clean transportation	- Clean public transportation	Climate change mitigation; Pollution prevention and control	- Emissions avoided (annual tons CO2 equivalent)
Energy efficiency	- Energy efficiency investments designed to reduce energy consumption from a baseline	Climate change mitigation	- Energy savings (MWh) - Fossil fuels saved (gal, l) - Emissions avoided (annual tons CO2 equivalent)
Environmentally sustainable management of living natural resources and land use	- Climate smart agriculture, reforestation, biodiversity, and ecosystems conservation - Investments to ensure adequate management of the availability, quality and use of water resources - Projects that promote innovative green infrastructure interventions and measures for the mitigation of GHG emissions and adaptation to disaster risks and climate change, including risk management for droughts, floods, and sea level rise - Conversion of non-certified production to third-party certified production - Waste reduction and recycling	Natural resource conservation; Climate change adaptation	- Value of investments in resilient and/or low-carbon infrastructure - Fossil fuels saved (gal, l) - Tons of CO2 sequestered
Renewable energy	- Power generation from renewable sources - Energy efficiency (street lighting, new/renovated buildings, EDGE certification) - Transmission lines and distribution systems to enable the penetration of renewable energy generation	Climate change mitigation	- Installed power generation from renewable energy sources (MW) - New/upgraded power transmission lines (km) - Energy generated from renewable sources (MWh) - Households from underserved and/or diverse or excluded populations with improved access to energy services (#) - Emissions avoided (annual tons CO2 equivalent)
Sustainable water and wastewater management	- Investments that materially reduces the use of water per unit of production from a baseline	Natural resource conservation	- Water savings (m3) - Wastewater treated (m3)
Access to essential services	- Water and sanitation services - Wastewater collection and treatment - Energy services	Access to essential services	- Households with improved access to water or sanitation (#) - Households from underserved and/or diverse or excluded populations with improved access to water or sanitation (#) - Average hours of continuous water supply per day - Households with improved access to energy services (#)

Eligible Categories	Potential Eligible Projects	Sustainability Objectives	Impact Reporting Metrics
Affordable basic infrastructure	- Health and education infrastructure - Deployment of ICTs in hospitals and clinics - Projects that promote access to education programs - Expansion or upgrade of learning spaces (schools, universities, private education services providers to complement public sector offering, etc.) - ICTs to improve teaching and learning processes; promoting initiatives to close the gender and ethnic gaps in the education sector - Improvement of regional infrastructure to promote enhanced connectivity	Affordable basic infrastructure	- Students benefited by education projects (#) - Students from underserved and/or diverse or excluded population benefited by education projects (#) - Educational facilities built or upgraded - Beneficiaries receiving health services (#) - Beneficiaries from underserved and/or diverse or excluded population receiving health services (#) - Roads built or upgraded (km) - Urban rail and bus mass transit systems built or upgraded (km) - Average daily passenger traffic - passengers (#) - Average daily traffic - vehicles (#) - Container cargo handling capacity - TEUs/year
Employment generation and programs to alleviate unemployment from socio-economic crises	- Modernization and productivity increase in agriculture or firms - Investments to boost sector growth and exports - Projects that benefit a region with a high incidence of poverty/economic vulnerability, or target beneficiaries from the poor or vulnerable strata	Employment generation	- Beneficiaries of employment support initiatives (#) - Women beneficiaries of economic empowerment initiatives (#) - Diverse population beneficiaries of economic empowerment initiatives (#) - Jobs supported (#) - Enterprises provided with technical assistance (#) - Farmers and MSME with improved access to agricultural services and investments (#) - Production capacity (TBD based on specific project) - Total value of sales ($ Million) - Value of exports sales ($ Million)
Food security and sustainable food systems	- Modernization and productivity increase in agriculture or firms - Investments to boost sector growth and exports - Projects that benefit a region with a high incidence of poverty/economic vulnerability, or target beneficiaries from the poor or vulnerable strata	Food security and sustainable food systems	- Beneficiaries of employment support initiatives (#) - Women beneficiaries of economic empowerment initiatives (#) - Diverse population beneficiaries of economic empowerment initiatives (#) - Jobs supported (#) - Enterprises provided with technical assistance (#) - Farmers and MSME with improved access to agricultural services and investments (#) - Production capacity (TBD based on specific project) - Total value of sales ($ Million) - Value of exports sales ($ Million)

Eligible Categories	Potential Eligible Projects	Sustainability Objectives	Impact Reporting Metrics
Socioeconomic advancement and empowerment	- Technology, media, and telecom (TMT) services, including fixed or mobile broadband, and mobile voice services - Rehabilitation/reinforcement of long-haul network infrastructure and overloaded urban networks and associated facilities - Access to finance - Financial inclusion and microfinance - Digitalization	Socioeconomic advancement and empowerment	- Beneficiaries with new access to at least a 4G mobile network (%) - Kilometers of new lines or of lines upgraded (long-haul/backhaul/metro, fiber optics or other technologies) - Amount of international trade supported ($) - MSMEs financed (#) - Value of loans disbursed to MSMEs ($ Million) - Women beneficiaries of economic empowerment initiatives (#)

Endnotes

1 Point-in-time assessment is applicable only on date of assignment or update.
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