

1. **Scope of the Environmental and Social Review:** The environmental and social analysis of the proposed operation consisted of reviewing the Issuer's existing environmental and social management documentation, its portfolio, and the current scope of projects in relation to its environmental and social risk exposure. Finally, telephone interviews were conducted with the persons responsible for the Issuer's environmental and social management.
2. **Environmental and Social Categorization and Rationale:** The proposed operation classifies as an IF-3 operation under the IDB Invest Sustainability Policy. The sub-projects to be supported have a low potential for environmental and social risk. The average loan for small, women-led enterprises is US\$10-13,000, and US\$1,200 for women-led microenterprises. In 2019, women accounted for 45.7% of its total portfolio. Within the Micro/SME segment, the most important sector is commerce (45%), followed by transport (10%). Its portfolios also include real estate (9%), financial intermediation (7%), industrial manufacturing (6%), and small rural areas centered on agriculture, livestock farming, and forestry (5%). The Issuer began a process of designing and raising awareness of the importance of implementing an Environmental and Social Risk Management System (ESRMS) in 2015, when it succeeded in consolidating its Environmental Policy as part of its management practices. In the period 2017-2018, it also participated in working groups with other financial companies of Peru, discussing the design of ESRMS and Exclusion Lists with the support of CAF. At the moment, the issuer has an exclusion list that is part of the ESRMS under construction, which allows the parameterization and to have it automated in the credit approval system and its socialization.
3. **Environmental and Social Risks and Impacts:** The project's main social and environmental risks relate to the institution's capacity to identify and manage the environmental and social risks associated with its loan activities. The Issuer has had an Environmental Policy in place since 2015, has begun to implement its exclusion list and is also developing an ESRMS manual. The Issuer has consolidated an ESRMS committee made up by professionals in the areas of social responsibility, operational risk, business risk, and the SME segment. They will progressively review and approve the ESRMS manual and its respective procedures.
4. **Mitigation Measures:** the Issuer will ensure that all backed loans comply with the IDB Invest Exclusion List and applicable local environmental and social laws, as well as guarantee the progressive implementation of its ESRMS. To help the Borrower learn more about IDB Invest's requirements, the Issuer must complete the IDB Invest online training course on Environmental and Social Risk Management.
5. **Action Plan:** N/A
6. **Contact Information:** For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see **Investment Summary tab**), or IDB Invest using the email requestinformation@idbinvest.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to mecanismo@iadb.org or MICI@iadb.org, or calling +1(202) 623-3952.