

1. **Scope of Environmental and Social Review.** The environmental and social review of the proposed transaction was carried out through desk research, a client web-conferencing call and a pipeline discussion. They are new clients to IDB Invest and will make minor enhancements to their internal environmental and social management system (ESMS).
2. **Environmental and Social Categorization and Rationale.** The proposed project is classified as an FI-2 per IDB Invest's Environmental and Social Sustainability Policy. Investments to be supported by the Fund will be in SMEs to support logistics and operational expenses within the healthcare, vocational training and education, tourism, retail distribution, transport, information and communications technology, value-added agriculture and agribusiness and specialized financial services sectors. Investments are expected to be made in approximately 8-12 companies, with initial investments averaging between US\$3 - US\$7 million per investment (not including follow-ons within the existing portfolio). Category A sub-projects, per IDB Invest's definition, will be excluded.
3. **Environmental and Social (E&S) Risks and Impacts.** The main E&S risks of this project are associated with the Fund's capacity to identify and manage the E&S risks associated with its lending activities. The Fund Manager will be expected to apply best practices in identifying, mitigating and managing any issues found in investments. The Environmental, Social, Health and Safety (ESHS) impacts and risks associated with investments are likely to be minimal in nature.
4. **Mitigation Measures.** SEAF currently has an Environmental and Social (E&S) policy, an E&S officer and an E&S due diligence process which includes a project screening procedure, a categorization guide and a compliance and risk identification checklist. SEAF also develops action plans with its investees/borrowers as needed and applies a monitoring procedure. Monitoring includes site visits, an assessment of E&S performance against due diligence findings, action plans and local EHS (Environmental, Health and Safety) requirements. SEAF also prepares annual E&S performance reports with its borrowers/investees. The Fund receives training on the IFC performance standards periodically.
SEAF currently employs 174 staff, where 52% are male and 48% are female. Of these, 18 women hold management positions, (which accounts for 50% of employees in this role) and two women are Board members. The Fund applies a Gender Equality Scorecard (GES) tool to assess and promote gender equality among its portfolio companies. SEAF also applies an Impact Investing Framework to assess investments based on quality jobs created, total taxes paid and total revenue growth. SEAF has a Workplace and Anti-Harassment and Discrimination Policy, a Code of Conduct and Policy of Conflict of Interest.
The Fund Manager will be required to ensure that all investments comply with IDB Invest's Exclusion List, applicable E&S local laws, and that SEAF continues to apply the ESMS that is consistent with the requirements in IDB Invest's Sustainability Policy. The Fund Manager will be required to provide an annual Environmental and Social (E&S) Compliance Report and E&S due diligence reports of the first three investments to IDB Invest. The Fund Manager will be expected to develop a comprehensive internal grievance mechanism. The Fund is not expected to finance any high-risk sectors. See below for a list of actions defined under this transaction.
5. **Environmental and Social Action Plan**

Activity	Description	Compliance Indicator	Timeline
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Review of the first three operations.	SEAF will provide detailed E&S due diligence reports of the first three operations (prior to investment), with aim to; (i) confirm the categorization and level of analysis undertaken, and (ii) review the proposed action plans, if any.	E&S due diligence reports and action plans.	At time of sub-investment.
Development of an internal grievance mechanism.	The Fund Manager will setup an internal grievance mechanism in accordance with IFC Performance Standard 2.	Internal grievance mechanism.	3 months post 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.