

**1. Scope of Environmental and Social (“E&S”) Review.** The E&S review of the proposed transaction was carried out through desk research, and client web-conferencing calls. PCF II is an existing client of IDB Invest, so the Environmental and Social Management System (“ESMS”) currently in place will also apply for this transaction.

**2. Environmental and Social Categorization and Rationale.** This is a category FI-2 project according to the IDB Invest Environmental and Social Sustainability Policy because the companies in which the Fund is investing are considered of medium E&S risk. The Fund will not be permitted to use IDB Invest funds from this facility to on-lend to Category A sub-projects.

**3. Environmental and Social Risks and Impacts.** Portland will be investing in sectors such as telecommunications, tourism, and food service/retail.

E&S risks and impacts associated with these sectors may include but are not limited to: (i) environmental risks such as: air emissions, waste management; (ii) operational health and safety risks such as: noise, fire, heat; (iii) community issues such as: health, safety and security, life and fire safety; (iv) biodiversity conservation and stakeholder engagement.

**4. Mitigation Measures.** The fund manager currently ensures that all investments made by the fund comply with the IDB Invest Exclusion List, applicable E&S local laws, and the IDB Invest Environmental and Social Sustainability Policy including the International Finance Corporation (“IFC”) Performance Standards.

The Fund and each investment have external Grievance Mechanisms to review inquiries or complaints from any interested party regarding the E&S risks and impacts of their operations. The fund manager submits annual E&S monitoring reports to IDB Invest.

Each investment is subject to an environmental, social, occupational health and safety and labor review by the Fund Manager and the ESG Sub-committee to the JAC. The Fund has improved ESG practices in its investee companies and has established an ESG Sub-committee to the JAC on which the IDB Invest’s environmental engineer participates as an observer. The Fund analyzes the environmental, social and governance aspects of investee companies, and brings global best practices to companies that would otherwise not have the resources to implement such high standards.

Portland currently has an ESMS in place for managing the E&S impacts and risks associated with its financial operations. Also, has an experienced and trained E&S officer to manage the E&S aspects of the Fund. Additionally, the Fund hires external consultants with the necessary competence (education, training, and experience) for due diligence, monitoring and supervision purposes.

**5. Contact Information.** For project inquiries, including E&S questions related to an IDB Invest transaction please contact the client (see **Investment Summary** tab), or IDB Invest using the email divulgacion[publica@iadb.org](mailto:publica@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](mailto:mecanismo@iadb.org) or [MICI@iadb.org](mailto:MICI@iadb.org), or calling +1(202) 623-3952.

