

## **1. Overview of Scope of IDB Invest E&S Review**

The E & S review of the proposed transaction was carried out through a desk review of information provided by the Client, including management procedures, internal regulations and policies (including human resources manual and performance management guides), sustainability report and the Client's list of banned products (exclusion list). Conference calls were held with members of the Client's management team in Brazil and Argentina.

## **2. Environmental and Social Categorization and Rationale**

The transactions to be supported have a low risk potential. Therefore, per the IIC's Environmental and Social Sustainability Policy, the Financial Institution ("FI") has been categorized as FI-3.

## **3. Environmental and Social Risks and Impacts**

The main E & S risks of this project are associated with the Client's capacity to identify and manage the E & S risks associated with its lending activities. The potential risks associated with its main lending activities include screening the merchants using the Platform and checking compliance with Brazilian legislation and IDB Invest's list of excluded activities.

The Terms and Conditions of the Platform state the Policies and Rules which enable the exclusion of users who sell banned products. The Policy and Rules area of the company applies the entire scoring process and may apply a "Notice and Take Down" of any non-compliant user. In addition, the service area (composed of more than 1,000 people) is also trained to receive complaints and take down the ads or inactivate the user according to the rules and processes defined in the aforementioned Policy.

## **4. Mitigation Measures**

The Client will be required to ensure that all loans supported comply with the IDB Invest Exclusion List, applicable E & S local laws, and the IDB Invest's environmental and social guidelines. To enable the Client to better understand the IDB Invest's requirements, the Client will be required to attend the IDB Invest's online training course on Environmental and Social Risk Management.