

1. **Overview of Scope of IDB Invest E&S Review** The environmental and social review of the proposed transaction was carried out through desk research, and meetings with the Fund's risk and investment teams, and a portfolio review. Riverwood is a new IDB Invest client and is exploring financing from a second Development Finance Institution. IDB Invest will agree a common Action Plan that would be developed between the invested DFIs and adopted by Riverwood. This entails principally the development and implementation of an Environmental and Social Management System ("ESMS"), which it may enhance with the assistance of an external consultant.
2. **Environmental and Social Categorization and Rationale** The proposed Fund is classified as an FI-2 per IDB Invest's Sustainability Policy. Sub-Investments will likely all be in excess of US\$10 million, and will target primarily businesses in the global technology, technology-enabled and related industries, including businesses in the financial services, consumer and services sectors where the use of information, digital, software and similar technologies. Category A sub-projects will be excluded from the Fund's financing.
3. **Environmental and Social Risks and Impacts** The environmental and social risks are likely to be minimal to moderate. Given the targeted sectors, the majority of the Fund's investment will be classified as Category C with the possibility for some Category B investments. While limited, the principle risk and impacts will relate to labor-specific issues, and generation of wastes. Given the nature of the investment, it may entail business expansion for which there could be construction, occupational, health and safety, pollution, and transport-related impacts, among others.
4. **Mitigation Measures** Riverwood will be required to evaluate, manage and monitor environmental and social risks across the Fund through the application of an Environmental and Social Management System (ESMS), which will include application of the exclusion list, local law, and IFC Performance Standards where applicable. The ESMS will also include an overarching policy, categorization guide, criteria and sector checklists (with focus on likely impacts), and a definition of roles and responsibilities. The Fund will be required to appoint an Environmental Manager who will oversee all issues related to E&S evaluation, management, monitoring and reporting. A fully-fledged action plan is being developed and coordinated between DFI lenders, a draft of which is presented below.
5. **E&S Action Plan:**

Task	Description	Deadline
Development of ESMS	ESMS Development Plan, definition of E&S Policy, and ESMS consistent with IFC Performance Standard 1	Condition precedent to first disbursement
Appointment of E&S Manager	Nomination of an E&S manager to oversee the implementation and operation of the ESMS	Condition precedent to first disbursement
Screening of three investments	Riverwood will present the first three operations with accompanying E&S due diligence, action plan, and any legal clauses to IDB Invest to confirm categorization, and for general information and feedback.	On first three investments of the Fund
Training of E&S Manager	E&S Manager will undergo training on application of ESMS and IFC Performance Standards.	prior to second investment of the Fund