

1. **General information about the scope of the IDB Invest environmental and social review:** The environmental and social review of the proposed transaction was done through desk research, meetings with BICE and its loan and risk teams, and an examination of the client's Environmental and Social Management System (ESMS). BICE is one of the IDB Group's existing clients and has environmental and social management policies in place.
2. **Environmental and social classification and rationale:** The proposed green credit line has been classified as an FI-2 operation under IDB Invest's Sustainability Policy. The underlying loans to be backed by the sustainable bond issue will meet the criteria set out in the Green Bond Principles (GBP) and the Social Bond Principles (SBP). Onlending will average between US\$10,000 and US\$10 million per loan and is intended for the following projects: (i) SMEs located in northern provinces of Argentina; (ii) women-led enterprises; (iii) SME-issued negotiable bonds; (iv) SMEs with an impact on job creation, (v) IT sector SMEs; and (v) so-called green projects, including wind, solar, energy-efficiency, biomass, and mini-hydraulic projects. It is estimated that most of the financing will benefit the SME segment. Category A subprojects and subprojects financed through commercial banks will be excluded from IDB Invest financing.
3. **Environmental and social risks and impacts:** The project's main environmental and social risks are associated with the financial institution's capacity to identify and manage the environmental and social risks linked to its loan activities. BICE's capacity in this regard is considered to be strong, based on prior experiences with the IDB Group and other development finance institutions. The environmental, social, health, and safety impacts and risks associated with so-called green projects can likely be mitigated.
4. **Mitigation measures:** BICE will be required to ensure that all loans backed by the bond issue comply with IDB Invest's List of Excluded Activities, applicable local environmental and social laws, BICE's existing ESMS, the eligibility criteria established for this transaction and, where applicable, IFC Performance Standards. The eligibility criteria have been defined and lay out all the conditions required for the onlending to be considered sustainable. These criteria are consistent with GBP and SBP standards and echo the requirements of IDB Invest's Sustainability Policy.
5. **Environmental and Social Plan of Action:**

Activity	Description	Timeline
ESMS application	For all operations to be financed with the proceeds of the bond (including SMEs or other projects) BICE will apply its current ESMS in order to evaluate and analyze sub-project eligibility and environmental and social compliance.	Ongoing
Hiring of a Consultant	BICE will hire a consultant for the first three subprojects that are: (i) Category B projects and (ii) have a financing above US\$5 million. BICE will share with IDB the all related documentation and any action plan related to these projects.	First three sub-projects
Application of Performance Standards for renewable energy projects	BICE should apply IFC Performance Standards and sectorial good practice guidelines (including IFC and World Bank) developed by an E&S consultant, in all renewable energy project.	For each applicable sub-project
ESMS Audit	BICE will perform an audit of its ESMS in order to: (i) evaluate compliance with IDB Group requirements and (ii) identify areas of improvement in the application of the ESMS.	18 months after issuance.

6. **Contact information:** For project inquiries, including environmental and social questions related

to an IDB Invest investment, please contact the client (see Investment Summary sheet) or IDB Invest via email at: requestinformation@idbinvest.org. As a last resort, project affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by email - mecanismo@iadb.org or MICI@iadb.org - or by calling +1 (202) 623-3952.