

1. **Scope of Environmental and Social Review.** IDB Invest performed virtual environmental and social due diligence for the project on August 17-21, 2020. This included review of environmental and social information, as well as labor information, including procedures, policies, reports, and other internal Urapi documentation. Meetings were also held with the company's staff.
2. **Environmental and Social Categorization and Rationale.** The subprojects funded by the Fund will be in the agroforestry sector—mainly in coffee and cacao plantations—and their risk potential is medium. Consequently, pursuant to IDB Invest's Environmental and Social Sustainability Policy, the financial institution is classified FI-2. Urapi will not be allowed to finance guarantees for Category A projects, as defined by IDB Invest (e.g.: Palm oil projects).
3. **Environmental and Social Risks and Impacts.** This project's main environmental and social risks are associated with the financial institution's capacity to identify and manage the environmental and social risks related to its lending activities. Potential risks related to its main lending activities may include the following: greenhouse gas emissions, exhausting water supplies, wastewater discharge, waste handling, use of "Ia" (extremely hazardous) or "Ib" (highly hazardous) pesticides, impacts on biodiversity, community relations, labor relations and provision of adequate working conditions, operational health and safety programs, and supply chain sustainability.
4. **Mitigation measures.** Urapi has an environmental, social, and corporate governance policy in place that is in line with international best practices. Additionally, it has implemented an Environmental and Social Management System (ESMS) to identify and manage the environmental and social risks in its portfolio. The Fund has adequate environmental and social procedures and has a team of qualified and trained staff to manage environmental and social risks. As part of its environmental and social analysis, Urapi uses a tracing system called Minka to manage project information, monitoring, and results in order to provide total transparency to all interested parties. Urapi prepares regular performance reports for its projects that are aligned with the sustainable development goals. Urapi must guarantee that all the IDB Invest-backed loans comply with the IDB Invest Exclusion List and with applicable local environmental and social laws, as well as with its own policies. It must also have an ESMS that is consistent with IDB Invest's Environmental and Social Sustainability Policy. The Fund must submit to IDB Invest an annual Environmental and Social Compliance Report, as well as Environmental and Social Due Diligence reports on the first three investments. Urapi has an external communications mechanism in place to handle questions and complaints from all interested parties on the social and environmental risks and impacts of his operations. The Fund has a Human Resources Policy in place, as well as a Code of Ethics, to ensure the well-being of its employees. It also has a Procurement Policy that applies to the Fund's purchasing and procurement.

5. **Environmental and Social Action Plan (ESAP)**

Activity	Description	Compliance indicator	Compliance date
Compliance report	Urapi will submit a Environmental and Social Compliance Report to IDB Invest, included in the agreement's environmental Annex.	Environmental and Social Compliance Report	Annual
Review of the first three transactions	Urapi will provide Environmental and Social Due Diligence reports (ESDD) on the first three transactions to: (i) confirm the risk analysis and evaluation level; and (ii) review action plans as necessary.	ESDD reports and action plans	When investments in subprojects are made

6. **Contact information** For questions about projects, including environmental and social issues

associated with an IDB Invest transaction, please contact the client (see **Investment Summary**) or IDB Invest through e-mail requestinformation@idbinvest.org. As a last resort, affected communities have access to IDB Invest's Independent Consultation and Investigation Mechanism through mecanismo@iadb.org or MICI@iadb.org, or by calling +1(202) 623-3952.