

1. Project Description: IIC's financing (the "Financing") will consist of a Partial Credit Guarantee ("PCG") of up to one hundred million Mexican Pesos (Mex\$100 million) guaranteeing the first long-term issuance under ION's program. The Financing will not exceed the equivalent in Mexican Pesos to five million United States Dollars (US\$5 million). 2. Environmental and Social Categorization and Rationale: FI-3 (low risk). 3. Environmental and Social Risks and Impacts: Sub-project environmental and social risks are most likely in the small industry segment, which represents building material manufactures to their construction business. ION will be required to manage these risks through the application of a set of environmental and social procedures, which will include development of an environmental policy, application of local law, confirmation of environmental permits, application of the IIC Exclusion List, and training at IIC's annual course on Environmental and Social Risk Management. Additionally, sub-loans will be capped with an individual client exposure of US\$1 million. 4. Mitigation Measures/E&S Action Plan: Development of an Environmental Policy and Procedure.