

Corporación Financiera de Desarrollo SA

Type of Engagement: Annual Review

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Engagement Team:

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Introduction

In April 2024, Corporación Financiera de Desarrollo SA (“COFIDE”) issued a Social Bond (the “2024 Social Bond”) and raised USD 300 million to finance and refinance social projects and investments. In May 2025, COFIDE engaged Sustainalytics to review the projects financed with proceeds from the 2024 Social Bond (the “Nominated Expenditures”) and provide an assessment as to whether they meet the use of proceeds criteria and whether COFIDE complied with the reporting commitments in the COFIDE Thematic Bond Framework.¹

Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and COFIDE’s reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Support to MSMEs for the use of financial services	Financing of programmes aimed at supporting MSMEs ² as a result of socioeconomic and climate crises. Financing of financial inclusion programmes for MSMEs’ lines of credit or other financial support to MSMEs.	<ul style="list-style-type: none"> • Number of beneficiary MSMEs • Number of beneficiary MSMEs led by women • Number of loans to MSMEs through COFIDE financing funds

Issuer’s Responsibility

COFIDE is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from COFIDE’s 2024 Social Bond. The work undertaken as part of this engagement included collection of documentation from COFIDE and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by COFIDE. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by COFIDE.

¹ COFIDE, “COFIDE Thematic Bond Framework”, (2024), at: <https://www.cofide.com.pe/COFIDE/uploads/medios/Thematic-Bond-Framework-COFIDE-March2024.pdf>.

² COFIDE bases its categorization of micro-, small- or medium-sized enterprises on the provisions of the Regulations for the Evaluation and Classification of Debtors and the Requirement of Provisions of the Superintendency of Banking, Insurance and Private Pension Fund Administrators. More details at: https://www.sbs.gob.pe/portals/0/jer/pfprpv_normatividad/20160719_res-11356-2008.pdf.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,³ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. COFIDE has disclosed to Sustainalytics that the proceeds from the 2024 Social Bond were fully allocated as of December 2024.

Detailed Findings

Table 2: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of projects or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	COFIDE reported on at least one KPI per use of proceeds category.	None

³ Sustainalytics' limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation Reporting

Table 3: Allocation Reporting for 2024 Social Bond

Use of Proceeds Category	Type of Company	Allocation by Gender (USD million)		Allocated Amount (USD million)
		Men	Women	
Support for MSMEs for the use of financial services	Small	96.83	82.17	179.00
	Medium	39.30	25.45	64.75
	Micro	31.74	30.58	62.33
Total Allocated Amount		167.87	138.20	306.08⁴
Total Unallocated Amount				0.00
Total Proceeds Raised				300.00

Appendix 2: Reported Impact

Table 4: Reported Impact for 2024 Social Bond

Use of Proceeds Category	Type of Company	Reported Impact	
		Number of Beneficiaries (Men)	Number of Beneficiaries (Women)
Support for MSMEs for the use of financial services	Small	8,575	7,830
	Medium	589	353
	Micro	6,275	6,867

⁴ COFIDE has communicated to Sustainalytics that to manage PEN/USD exchange rate risk arising from daily disbursement timing versus monthly average exchange rate data, a precautionary over-allocation in PEN acts as a buffer against potential unfavourable daily rate fluctuations, ensuring the targeted USD equivalent of bond proceeds is maintained.

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