

Environmental and Social Review Summary (“ESRS”)

Banco Mundo Mujer: Loans to Increase Financing for Microenterprises in Colombia / 15437-01

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1. **Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) analysis of the proposed operation involved a review of documentation, as well as discussions with Banco Mundo Mujer S.A. (“Banco Mundo Mujer”, “BMM” or the “Bank”) executive office, financial vice presidency, financial planning management, risk vice presidency, and marketing and customer experience management. The Bank has been an IDB Invest client since 2018 and has demonstrated satisfactory environmental and social performance.
2. **Environmental and Social Categorization and Rationale.** The proposed transaction has been classified as IF-3 under IIC’s Environmental and Social Sustainability Policy. The subprojects to be supported are considered to have low potential risk, meaning that the subloans granted by BMM are expected to involve predominantly commercial and service activities that generally have minimal or no adverse E&S impacts. The subloans to be issued by the Bank using IDB Invest funds will be directed towards micro and small enterprises.

The transaction is considered universally aligned with the Paris Agreement, based on the analysis conducted following the IDB Group’s Paris Alignment Implementation Approach.

IDB Invest resources may not be used by the Bank to finance Category A (high-risk) subprojects, as defined by IDB Invest, or projects that fall within the sectors listed in IDB Invest’s exclusion list.

3. **Environmental and Social Risks and Impacts.** The main E&S risks of this project are related to BMM’s capacity to identify and manage E&S risks associated with its lending activities. Potential risks linked to its core lending operations include occupational health and safety, and pollution prevention and mitigation.

The microenterprise portfolio is composed of the following sectors: commerce (57%), production (27%), and services (16%), with an average loan size of US\$1,000. The small enterprise portfolio has an average loan size of US\$6,600 and includes commerce (67%), services (17%), and production (16%). Both portfolios have loan terms ranging from one to three years.

Banco Mundo Mujer has a nationwide presence in Colombia, with 187 branches across 22 departments and 701 municipalities. The Bank employs 4,714 people, 59% of whom are women. Approximately 30% of managerial positions are held by women.

4. **Mitigation Measures.** As part of its credit policies, Banco Mundo Mujer applies IDB Invest’s exclusion list and publishes its clients’ environmental and social obligations on its website. The Bank has implemented an Environmental and Social Management System (“ESMS”) to identify and manage environmental and social risks, with its most recent update in March 2024. Environmental and Social Risk (“ESR”) management has been integrated into the Comprehensive Risk Management System (“SIAR”, by its acronym in Spanish) since 2023, contributing to a holistic and systematic approach to managing environmental and social risks.

Additionally, Banco Mundo Mujer has a social responsibility policy that outlines its commitments as a financial institution to the social and economic development of the community through financial and environmental sustainability. It also has a Human Talent Policy, a Code of Conduct that promotes employee well-being and legal compliance, an Emergency Response Plan, a Crisis Communication Plan, and internal and external grievance mechanisms that ensure confidentiality.

Since 2024, as part of its environmental and social risk management, Banco Mundo Mujer has begun evaluating its suppliers and has developed climate risk indicators, including transition and physical risks, taking into account geographic and sectoral exposure. In the coming years, the Bank plans to refine these indicators and quantifications across its entire portfolio.

Banco Mundo Mujer must ensure that all supported loans comply with [IDB Invest's Exclusion List](#) and applicable local E&S laws. To help the Bank better understand IDB Invest's requirements, Banco Mundo Mujer staff will be required to complete IDB Invest's online training course on Environmental and Social Risk Management.¹

5. **Environmental and Social Action Plan ("ESAP").** N/A
6. **Contact Information** For project inquiries, including environmental and social questions related to an IDB Invest transaction please contact the client (see **Investment Summary** tab), or IDB Invest using the email divulgacionpublica@iadb.org. As a last resort, affected communities have access to the IDB Invest Independent Consultation and Investigation Mechanism by writing to mecanismo@iadb.org or MICI@iadb.org, or calling +1(202) 623-3952.

¹ *Sistema de Gestión Ambiental y Social: Una Oportunidad de negocio* (<https://cursos.iadb.org/es/temas/desarrollo-social/sistema-gestion-ambiental-social-oportunidad-negocio>) disponible todo el año, ó *Gestión de Riesgos Ambientales y Sociales: SARAS en acción* (<https://cursos.iadb.org/es/temas/gestion-riesgo-ambiental-y-social/gestion-riesgos-ambientales-sociales-saras-accion>) próxima versión disponible en febrero 2026.