

## Environmental and Social Review Summary (“ESRS”)

### Banco Union: Subordinated Loan Supporting Silver Economy in Colombia / 15651-01

**Original language of the document:** Spanish  
**Issuance date:** February 2026

- 1. Scope of Environmental and Social Review.** The Environmental and Social (“E&S”) analysis of the proposed operation consisted of a review of documentation on E&S risks and sustainability, as well as presentations delivered by Banco Unión S.A. (the “Bank” or “Banco Unión”) sustainability team. The Bank is a new client for IDB Invest.
- 2. Environmental and Social Categorization and Rationale.** The proposed transaction is classified as FI-3 under IDB Invest’s Environmental and Social Sustainability Policy. The subprojects to be supported are expected to present low potential risk. The subloans granted by Banco Unión are anticipated to include predominantly commercial and service-related activities that, in most cases, have no adverse environmental or social impacts or only minimal impacts. The subloans to be granted by the Bank with IDB Invest resources will be directed to loans to individuals within the silver economy segment, specifically payroll-deducted loans.

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

IDB Invest resources may not be used by the Bank to finance Category A subprojects (high risk), as defined by IDB Invest, or projects in sectors included in IDB Invest’s Exclusion List.

- 3. Environmental and Social Risks and Impacts.** The main E&S risks of this project are related to Banco Unión’s capacity to identify and manage the E&S risks associated with its lending activities. Potential risks related to its core lending activities include pollution prevention and mitigation.

The Bank’s portfolio is primarily oriented toward individuals, focused on consumer products and payroll-deducted loans. Its geographic distribution has nationwide coverage, with a higher concentration in urban areas and regions with a presence of remittance recipients.

The portfolio is composed of the following segments: consumer loans (79.0%), housing (20.7%), and commercial (0.3%). The average loan size for the housing and commercial segment is US\$33,000 (equivalent to 130 million Colombian Pesos (“COP”)), with an average tenor of ten years. For the consumer segment, the average payroll-deducted loan amount is US\$9,000 (equivalent to COP35 million), with an average tenor of six years. Credit lines include payroll-deducted loans (62%), mortgages (21%), personal loans (15%), credit cards (1%), and corporate loans and vehicle loans representing less than 1%.

Banco Unión has nationwide presence in Colombia through 180 branches, with a stronger presence in urban areas. The Bank employs 1,468 staff members, of whom 912 are women, and 19 hold managerial positions.

- 4. Mitigation Measures.** Banco Unión has a Sustainability Strategy led by the Human Resources Department. The Bank is currently developing a Diversity, Equity, and Inclusion (“DEI”) Plan and is working on the adoption of the Women’s Empowerment Principles (“WEPs”). Since 2024, Banco Unión has been a signatory to the United Nations Global Compact. Additionally, the Bank has a Workplace Coexistence Committee, in accordance with local legislation, which is responsible for addressing and managing situations of workplace harassment.

Banco Unión shall ensure that all supported loans comply with IDB Invest’s Exclusion List and applicable local environmental and social laws and regulations. To enhance Banco Unión’s understanding of IDB Invest’s requirements, Bank staff shall complete IDB Invest’s free, online, self-paced training course on Environmental and Social Risk Management.<sup>1</sup>

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](mailto: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](mailto:mecanismo@iadb.org) or [MICI@iadb.org](mailto:MICI@iadb.org), or calling +1(202) 623-3952.

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<sup>1</sup> Environmental and Social Management System: A Business Opportunity (<https://courses.iadb.org/environmental-and-social-management-system-business-opportunity>). Available throughout the year