

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

### Banco Mundo Mujer / 13158-01 – Colombia

**Original language of the document:** Spanish  
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#### 1. Scope of Environmental and Social Review

The environmental and social (E&S) analysis of this transaction involved reviewing documentation as well as holding discussions with the president, financial vice-president, financial management, risk vice-president, and marketing and customer experience management of Banco Mundo Mujer. The Bank has been a client of IDB Invest’s since 2018 and has shown satisfactory environmental and social performance.

#### 2. Environmental and Social Categorization and Rationale

The proposed transaction is classified as an IF-3 per IDB Invest’s Environmental and Social Sustainability Policy. The subprojects to be supported are low-risk; this means that the subloans granted by Banco Mundo Mujer are expected to include mainly commercial and service activities that will mostly have minor or nil E&S adverse impacts. The subloans to be granted by BMM with funds from IDB Invest will be used in loans for micro and small companies.

The microcredit portfolio is made up of companies operating in services (50%), production (30%) and commerce (20%), with loans averaging US\$1,000. The small-business portfolio has loans worth US\$7,000 on average and is comprised by companies in services (60%), commerce (25%) and production (15%). This year (2021) BMM is planning to increase this portfolio by granting loans to legal persons. Both portfolios have a tenor between one and three years. Banco Mundo Mujer is the private bank with the largest gross micro-loan balance in Colombia (16% share of private financial intermediaries as of March 2021). Within the microcredit niche banks, BMM maintains 29.61% share in microcredit portfolio as of March 2021.

#### 3. Environmental and Social Risks and Impacts

The main E&S risks of this project are associated with Banco Mundo Mujer’s capacity to identify and manage the E&S risks associated with its lending activities. The potential risks associated with its main lending activities include occupational health and safety, and pollution prevention and mitigation.

Banco Mundo Mujer is present nationwide in Colombia with 177 offices in 22 departments and 637 municipalities. BMM has 4,670 employees, 57% of whom are women. About 40% of the managerial positions are occupied by women.

During the pandemic, BMM put its crisis committee to work, and introduced remote work methodologies and equipped its employees to prevent spreading the virus. Moreover, it launched a mobile app for its clients to submit inquiries.

#### 4. Mitigation Measures

As part of its lending policies, Banco Mundo Mujer observes IDB Invest's Exclusion List and publishes its clients' environmental and social obligations on its web site<sup>1</sup>. Banco Mundo Mujer has created an Environmental and Social Management System (ESMS), which is under deployment now, to identify and manage the environmental and social risks in its green lines exclusively. Also, BMM has a social responsibility policy in place, which defines its commitments as a Bank to the community's social and economic development by means of environmental and financial sustainability; it also has a human talent policy, and a code of conduct for the benefit of its employees and in compliance with the law. There is also an emergency response plan, an in-crisis communication plan and internal and external grievance mechanism that assures complete confidentiality.

Banco Mundo Mujer will be required to ensure that all loans supported comply with IDB Invest's Exclusion List and applicable E&S local laws. To enable the Borrower to understand better IDB Invest's requirements, Banco Mundo Mujer will be required to complete IDB Invest's online training course on environmental and social risk management.

#### 5. E&S Action Plan (ESAP) N/A.

6. **Contact Information** For questions on the projects, including E&S issues related to IDB Invest's transactions, please contact the client (see **Investment Summary** tab) or IDB Invest by e-mail: [requestinformation@idbinvest.org](mailto:requestinformation@idbinvest.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> <https://bmm.com.co/informacion-consumidor.html#documentosCredito>.