



TRIPLE JUMP

Responsible Investment Policy

February 2023

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Approved by:	Management Board
Owner:	ESG & Impact
Scope:	Funds & Mandates

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1. Objective

The purpose of the present Responsible Investment Policy (**this Policy**) is to outline Triple Jump's approach to Responsible Investment (RI), which is broadly defined as investment activities that take into account social, environmental and governance issues alongside financial ones. This includes addressing:

- (i) the ultimate sustainable investment objectives, i.e., environmental and social impacts targeted by Triple Jump's investment funds and Mandates (e.g., financial inclusion), and
- (ii) the Environmental, Social, and Governance (**ESG**) issues that arise throughout an Investee company's operations. This includes issues that influence an Investee's ability to deliver on its commercial or impact objectives (e.g., client protection practices) and those that represent externalities that affect outside stakeholders (e.g., GHG emissions).

In addition, this document explains how RI relates to Triple Jump's mission, the standards and principles Triple Jump aligns itself with, and how RI is implemented throughout the investment process.

By implementing this Policy, Triple Jump makes a commitment to the tenets of sustainable development. In addition to the commitment to corporate responsibility and the objective to generate positive impact through Triple Jump's investments, the approach laid out in this Policy is seen as smart business: Triple Jump believes that only by taking into account the interests of all stakeholders can an investment manager thrive in the long term. This involves creating value and managing the risks for end-beneficiaries, Investees, Clients, Staff, society at large, the environment, and all other parties with whom Triple Jump interacts.

2. Scope

This Policy is applicable to all of Triple Jump's assets under management, meaning all funds or Mandates managed, serviced or advised by Triple Jump. Its implementation is integrated throughout the investment process where several departments are involved (Investment officers, portfolio management, IRBD, Fund of Funds) and is coordinated by a dedicated ESG and Impact team. Individual funds and Mandates managed or advised by Triple Jump may have additional ESG policies and or Environmental and Social Management Systems (ESMS) that are specific to them and complement this Policy.

As an investment manager, Triple Jump is committed to supporting the needs of its Clients, provided they are aligned with the mission and approach established in this RI Policy.

The RI Policy is reflected in the products and services that Triple Jump offers, and in that sense, it is linked to Triple Jump's Marketing & Communication Policy, Fund Governance Policy, the Proper Business Conduct Policy and Triple Jump's Fund Investment Strategies (as included in the Contract of a Mandate or the prospectus of a Fund) and their ESG Policies.

3. Regulatory requirements

This Policy takes into account the following applicable regulations:

- Directive 2014/65/EU (MiFIDII)
- Dutch Financial Supervision Act (Wft)
- Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR)
- EU Regulations 2020/852 (Taxonomy Regulation)

4. Definitions

AIF (or Fund)	Alternative Investment Fund; defined in the AIFMD as collective investment undertakings.
Client	The investors in a Triple Jump-managed Alternative Investment Fund (AIF) and contracted clients with an advisory or portfolio management Mandate.
ESG	Environmental, Social and Governance
GHG	Greenhouse Gas
IFC	International Finance Corporation
Investee	Any party which a Triple Jump Mandate or Fund lends money to (debt) or invests in (equity)
Investor	A natural or legal person that, directly or indirectly, provides money to an AIF
Mandate	Contractual agreement between Triple Jump and a professional Client to manage or advise on a portfolio of Investment Products on a discretionary client-by-client basis.
PAI	Principle Adverse Impact on sustainability factors, which is defined as the <i>“negative, material or likely to be material effects on sustainability factors that are caused, compounded by or directly linked to investment decisions and advice performed by the legal entity”</i> .
PASI	Principle Adverse Sustainability Impact Statement
Prospect	A prospective Client, approached for an AIF or Investment Service offering.
SDG	Sustainable Development Goal
SME	Small and Medium Enterprise
Staff	All Triple Jump employees and with a fixed term or indefinite contract, as well as temporary workers and freelancers.

5. Policy specifics

6. Roles and responsibilities

The final responsibility for this Policy lies with Triple Jump’s Management Board (the **Board**).

However, its implementation is integrated throughout the entire organization and coordinated by a dedicated ESG and Impact team. More specifically:

- ESG & Impact Team is responsible for the process and tools related to ESG and impact management.
- Depending on the business line and the ESG risk rating, either the ESG & Impact Team or the Investment Team are responsible for the ESG and impact due diligence assessment.
- When the ESG and impact due diligence assessment is conducted by the Investment Team, the ESG & Impact Team is then responsible for reviewing and approving the assessment.
- The ESG & Impact team is responsible for the monitoring and reporting of ESG and Impact portfolio performance.

- Investment Committees (ICs) are responsible for approving or rejecting a proposed investment based on among others the ESG assessment and recommendation from the ESG & Impact Team.
- Risk & Control is responsible for the elaboration and implementation of the Sustainability Risk Assessment.
- Investor Relations and Business Development is responsible for ensuring that marketing material, website and product disclosures are consistent with this Policy.

7. Policy statements & Principles

8. Triple Jump's Mission

While capital is not distributed equally in the world, we believe that talent and potential are. Triple Jump's mission is to go where investing capital empowers people and improves lives. Our vision is that investing in entrepreneurship will unlock the potential to overcome global challenges. In particular, Triple Jump's investment activities aim to address the global challenges of poverty, inequality and climate change. To do so, we invest in the three themes of financial inclusion, Small and Medium Enterprises (**SMEs**) finance and sustainable energy.

The following three themes are those relevant to Triple Jump's impact narrative. See Annex 1 for simplified versions of the Theory of Change per theme.

Financial inclusion

An estimated two billion working age adults – more than half of the world's total adult population – do not use formal financial services and 73% of the poor are unbanked. Responsible financial services have the potential to improve the well-being of low-income individuals and households by helping them to smooth consumption, build resilience and invest in economic opportunities. To promote financial inclusion, Triple Jump invests in financial service providers that reach those in need and implement stringent ESG management and Client protection practices. Triple Jump's involvement includes providing institutions with technical assistance to ensure compliance with high standards of financial, environmental and social performance. Triple Jump's financial inclusion portfolio contributes to the following Sustainable Development Goals (**SDGs**): No Poverty (1.4), Gender Equality (5.a), Decent Work and Economic Growth (8.10), Reduced Inequalities (10.b), and Sustainable Cities and Communities (11.1).

SME finance

It is estimated that SMEs employ half of all the people in the world. However, SMEs are often too large for microfinance and too small for commercial banks, which has led to them being classified as the 'missing middle'. By supporting investment funds and financial institutions involved in SME financing, Triple Jump seeks to catalyze job creation, economic growth and innovation in developing countries. Beyond the boost to the economy, employment growth is arguably a stabilizing and democratizing force. Triple Jump's SME financing activities contribute to the following SDGs: Quality Education (4.4), Gender Equality (5.a, 5.5), Decent Work and Economic Growth (8.3), and Reduced Inequalities (10.b).

Sustainable energy

There are currently over one billion people globally who lack access to energy. In 2016, the United Nations (**UN**) enshrined access to energy as one of the universal foundations for sustainable development, underscoring its importance to all societies. However, the benefits go far beyond electrification, as improved energy access has a positive impact on health, productivity, equality, and

the environment. Triple Jump invests in privately held businesses that provide products and services that increase access to reliable and affordable energy for off-grid households and businesses in Sub-Saharan Africa. Products include technologies such as solar panels, which, in addition to providing electrification, displace fossil fuel-based alternatives like kerosene lanterns. This prevents emissions in homes, and their release into the atmosphere. In aggregate, the growing trend in off-grid solar is helping to avoid millions of tons of carbon emissions and helps mitigate the effects of climate change. Triple Jump's access to energy activities contribute to the following SDGs: Good Health & Well-being (3.4), Gender Equality (5.b), Affordable & Clean Energy (7.1), Decent Work and Economic Growth (8.2, 8.5), Responsible Consumption & Production (12.5), and Climate Action (13.2).

9. Commitment

As an impact-focused investment manager, Triple Jump is committed to:

- Ultimately benefitting the end-clients of its Investee companies through its investment activities;
- Integrating the management of impact and ESG risks throughout the investment process, from strategy-setting to monitoring of results and exit;
- Identifying and managing ESG risks and opportunities associated with each Investee company;
- Tracking and reporting impact;
- Partnering only with companies that share Triple Jump's commitment to managing ESG risks;
- Seeking to continuously improve the ESG management of its Investees when possible;
- Requiring Investees to adhere to or work towards compliance with international ESG standards and the ESG Principles outlined in Annex 2 of this Policy;
- Training all relevant employees in ESG processes;
- Reporting serious ESG incidents to Clients;
- Providing an appropriate whistleblowing and grievance mechanism for Staff and all stakeholders to allow reporting of misconduct;
- Promoting transparency and accountability with regard to corporate governance and tax;
- Promoting and following best practices and laws on know-your-client procedures, anti-money laundering, anti-corruption, and anti-bribery issues, as well as any financial crime prevention applicable legislation.

10. International standards

Triple Jump is committed to the support of and alignment with international standards that shape Triple Jump's overall RI approach.

Responsible Investment

Triple Jump is a signatory to the [UN Principles for Responsible Investment](#). These principles outline investors' best practices in integrating ESG issues into investment practices. Triple Jump reports annually to the UNPRI and our latest transparency report can be found [here on UNPRI's website](#).

Impact Management

Triple Jump is a signatory of the IFC's [Operating Principle for Impact Management](#) since 2019. These principles provide a framework for investors to design and implement their impact management systems, ensuring that impact considerations are integrated throughout the investment lifecycle. Triple Jump has developed a solid impact management process and discloses every year its alignment with the principles on its [website](#).

ESG

The [IFC's Environmental and Social Performance Standards](#) form the basis of Triple Jump's ESG requirements to our Investees and the ESG Principles outlined in Annex 2. The IFC Performance Standards define our Investees' responsibilities for managing the environmental and social issues associated with their operations. This includes having an ESG management system in place commensurate to the risk they are exposed to and addressing labour and working conditions, resource efficiency and pollution prevention, and community health, safety and security. They provide the framework for our ESG due diligence and advisory services. The IFC Performance Standards integrate more general standards such as the [ILO Fundamental Conventions](#) or the [UN Guiding Principles on Business and Human Rights](#) and are aligned with the [OECD Guidelines For Multinational Enterprises](#).

Social and Environmental Performance Management

Triple Jump strives to ensure that the financing we provide to financial institutions is translated into appropriate products that reach our target end-clients. We also ensure that Investees reduce the risk of harm to these low-income entrepreneurs due to issues such as over-indebtedness, client misinformation or high interest rates. ESG assessment of financial institutions is based on the [Universal Standards for Social and Environmental Performance](#) and the Client Protection Pathway and is operationalized through the use of the ALINUS SPI4 questionnaire (Annex 3). Triple Jump also actively participates and plays a leading role in working groups under the umbrella of the [Social Performance Task Force \(SPTF\)](#), to promote further harmonization of social performance management practices among investors. For our investments in the sustainable energy sector, Triple Jump endorses the [Global Off-grid Lighting Association \(GOGLA\) Consumer Protection Code](#), and requires all Investees to do so, too.

Corporate governance

Triple Jump is (delegated) fund manager of several investment funds, all of them non-listed. We have established our own fund governance policy in order to assure sound operations and the duty to care. Further information on corporate governance can be found in the [dedicated section on Triple Jump's website](#). In addition, when selecting Investees, Triple Jump undertakes a due diligence including assessing management structures, employee relations, remuneration of staff and tax compliance.

11. ESG Principles

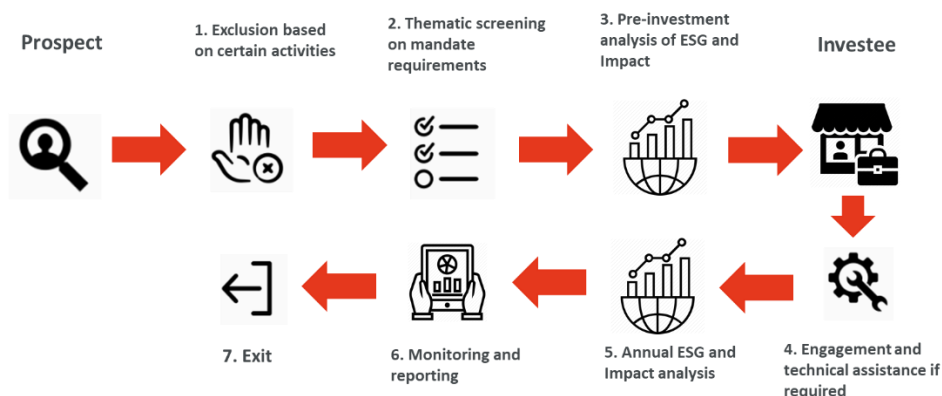
The main ESG risks related to financing companies and entrepreneurs in emerging and frontier markets may affect employees, the environment, customers and the community. These risks have been translated into principles ("ESG Principles") that are listed below and outlined in more detail in Annex 2 together with the standards applied to the principles and the assessment indicators used. Companies finance by TJ are expected to conduct their operations in-line with these principles. TJ will assess each prospective Investee's compliance with the principles.

Environment	Biodiversity conservation and deforestation Sustainable natural resource management Pollution prevention and abatement
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Social	Human Rights Client protection Land acquisition and involuntary resettlement Remuneration Non-Discrimination Health & Safety Working hours
Governance	Environmental and Social Management System (ESMS) Complaints mechanism

12. Implementation and Investment Process

Throughout the various phases of the investment process, Triple Jump integrates social and environmental issues into decision-making, both pre-investment and post-investment. This section provides a general overview of our RI approach, but there are also separate, more detailed ESG Policies and / or Environmental and Social Management System (**ESMS**) documents available per fund, Mandate or business line.



13. Exclusion based on controversial activities

For each fund and Mandates, Triple Jump works with Clients to determine the scope of an exclusion list to avoid financing activities that entail a high risk of harming the environment or society. Exclusion lists depend on the investment strategy and the requirements of the Client but are generally aligned with internationally recognized exclusion lists such as the IFC and the EDFI exclusion lists. Each prospective investment is assessed against the Fund’s exclusion list to ensure it is not involved in any of the listed activities. For our investments in financial intermediaries, exclusion lists are intended to restrict the financing activities of Investees and are integrated into contracts to ensure ongoing compliance.

14. Thematic screening

Triple Jump’s funds and Mandates aim to achieve developmental impact by investing according to certain themes, including high-level ones such as financial inclusion and SME financing, but also includes sub-themes such as affordable housing, female entrepreneurship or rural communities. A fund’s impact themes are agreed upon with investor Clients prior to its launch. Investment Officers screen every prospective investment according to its fit with the sustainable investment objectives of the Mandate. Once invested in, a company’s ongoing eligibility is monitored through regular impact reporting.

15. **Due diligence**

After a prospective Investee has met minimum Mandate requirements, due diligence is conducted from both an ESG and an impact perspective, which includes assessing a company's exposure to and management of ESG risks and estimating its expected impact. The ESG due diligence assessment is based on the international standards described in chapter 5.2.3 above and the ESG Principles described in chapter 5.2.4 and in Annex 2. The latter also includes the assessment of Principle Adverse Impacts (PAIs) on sustainability, as defined in Article 4 of SFDR. In order to assess whether the investment does not significantly harm environmental or social characteristics Triple Jump makes best efforts to obtain information on PAI indicators, as set out in Annex I from the SFDR Delegated Regulation (Commission Delegated Regulation 2022/1288). For a list of the PAIs indicators assessed and monitored please refer to the [Principle Adverse Sustainability Impact Statement](#) on Triple Jump's website.

The ESG and impact assessments are first based on a desk review, using information provided by prospective Investees, and are then verified by site visits. The results are summarized and sent to the Investment Committee (IC), who uses the information to help determine a company's suitability for financing. Depending on the Mandate and the ESG risks identified, the ESG and Impact analysis is conducted by Investment Officers or ESG & Impact Officers. Each assessment is reviewed by the ESG & Impact team, who then advise the IC.

Potential Investees that are falling below a certain minimum threshold are not considered for investment. The assessment may also identify areas that either need improvement to reach Triple Jump requirements or that offer opportunities for enhancement. These are discussed with the prospective Investee and may be included in the contractual agreement between Triple Jump and the Investee.

In parallel during the due diligence phase the sustainability risks (as defined by the SFDR regulation as an ESG event that can cause a negative material impact *on the value of the investment*) are assessed. The Sustainability Risk Assessment is based on the outside-in principle, which means how outside conditions such as the Environment, Social and Governance factors can potentially affect the financial performance of our investments. A detailed description on how Triple Jump manages [sustainability risks](#) can be found on Triple Jump's website.

As new sustainability topics become relevant, Triple Jump's adapts its ESG and Impact approach and tools and all relevant teams are retrained.

The environmental and social risks associated with a particular investment depend on several factors including the investment theme and the Investee activities, the size of the Investee and the type of financing it receives. To assess ESG and Impact performance, Triple Jump applies three distinct approaches described below and specific to the three investment themes: financial inclusion, SME finance and sustainable energy.

Financial inclusion

For a financial institution (FI) serving micro-entrepreneurs in developing countries, the equivalent of its ESG and Impact performance is its Social and Environmental Performance Management (SEPM). The Universal Standards for Social and Environmental Performance Management (USSEPM) and the Client Protection Pathway are the industry standards for the assessment of the ESG risks and how an FI manages the social issues associated with serving the 'Base of the Socioeconomic Pyramid'. Using the ALINUS questionnaire developed by Cerise, Triple Jump's SEPM framework is aligned with the

USSEPM and assesses FIs on the basis of seven dimensions: Define and monitor social goals; Ensure Board, management, and employee commitment to social goals; Design products, services and delivery channels that meet clients' needs and preferences; Treat Clients responsibly; Treat employees responsibly; and Balance financial and social performance; green performance. As of January 2023, ALINUS also includes the mandatory PAIs. The ALINUS tool yields a final rating out of 100. A high SEPM rating means that an FI has strong policies and programs in place to promote financial inclusion that benefits end Clients and do not harm the environment.

In addition, Triple Jump also applies proprietary tools to assess balanced returns and interest rates, executive compensation, and ESG risks related to digital services. While the USSEPM framework addresses some aspects of corporate governance, the bulk of this analysis is done by the Finance and Control team as part of the Know-Your-Client (**KYC**) process. This involves carefully screening key people in the company and examining the governance structure.

SME finance

Through our SME funds, Triple Jump and other institutional investors provide the start-up capital for funds that (plan to) invest in SMEs in developing countries. The SME funds' ESG assessments is conducted by our implementation partner PWC and focuses on the policies in place to manage the ESG risks posed by pipeline SMEs, primarily by applying the DGGF Principles, the IFC Performance Standards, the OECD Guidelines and the EDFI exclusion lists.

The impact analysis focuses on the potential impact generated by pipeline SMEs, focusing on job creation, female entrepreneurs, youth entrepreneurs, and those based in fragile states. An impact projection on these four dimensions is determined by the ESG & Impact team and used in the investment decision. Furthermore, qualitative aspects are considered, such as the potential for exceptional impact, signifying positive outcomes beyond the three core dimensions. The degree to which the investment is considered 'additional' is also considered, with the intention of preventing the crowding out of local funding sources.

Sustainable energy

Triple Jump's invests in companies active in the sector of sustainable energy, with the aim to increase access to off-grid energy for households and SMEs. The ESG and Impact indicators selected to assess such companies are primarily based on the IFC Performance Standards and the Global Off-Grid Lighting Association, which address topics specific to off-grid energy access. The indicators assessed take into account all stakeholders that are materially affected by a company's operations, both positively and negatively.

16. Active ownership and engagement

Along with providing capital to Investees, Triple Jump aims to improve the capacity of its Investees. This is also true for ESG and impact. Based on the result of the due diligence assessment Triple Jump may identify areas that need improvement to reach Triple Jump requirements and the ESG Principles or that offer opportunities for enhancement. These may or may not involve technical assistance and will be agreed upon with the Investee on a case-by-case basis. Triple Jump typically draws up an Environmental and Social Action Plan. This Action Plan lays out an improvement roadmap that is monitored by Triple Jump's ESG team. For equity investment in particular and upon exit, the Investment Team drafts an exit proposal that addresses the risk of mission drift, the continuity of impact, and the appropriateness and quality of the buyer. This is reviewed by the ESG and Impact team prior to being submitted to the IC who approves or rejects the proposed transaction.

17. On-going monitoring and reporting

Triple Jump monitors the ESG and Impact performance of its investments on an ongoing basis, using information provided directly by Investees. Investees are required to report to Triple Jump on both ESG and Impact on a regular basis so that Triple Jump can take timely action if required. On ESG the reporting focuses on changes in the Investee ESG policies and on ESG performance such as policy breaches, incidents and complaints and the results on the PAI indicators. In cases where specific ESG attention points were identified during the due diligence phase, Triple Jump monitors the implementation of the required improvements. Depending on the sector, Triple Jump conducts an overall reassessment annually or if there is a subsequent investment proposal. Investment Officers also visit Investees for all renewals and are able to verify implementation on the ground. For SME fund investments, Triple Jump receives an annual ESG and Impact report from the funds on an annual basis.

Triple Jump reports on ESG and impact to its Clients in a quarterly and more in-depth annual report, which contains the latest impact results specific to each fund. At the entity level, Triple Jump reports its integrated ESG and Impact performance in an Annual Impact Report.

18. Complaints mechanism

Triple Jump requires its investees to have a functional and effective complaint mechanism for employees, end-clients and other stakeholders. Triple Jump also has its own complaint mechanism concerning alleged misconduct or malpractice in breach of the principles set out in this Policy by the investees, borrowers, or recipients of such funding. Individuals, groups, communities or other stakeholders can submit a complaint if they believe they have been or have the potential to be adversely affected by the alleged misconduct or malpractice in breach of the principles set out in this Policy by an Investee. Depending on the Fund or Mandate, the complaint will be directed to the responsible parties, investigated and addressed.

19. Process requirements

Processes linked to this Policy
Pipeline Management (Debt, Equity) Investment Proposal (Debt, Equity)
Investment Decision (Debt, Equity) Impact Monitoring & Reporting

20. Review of Policy

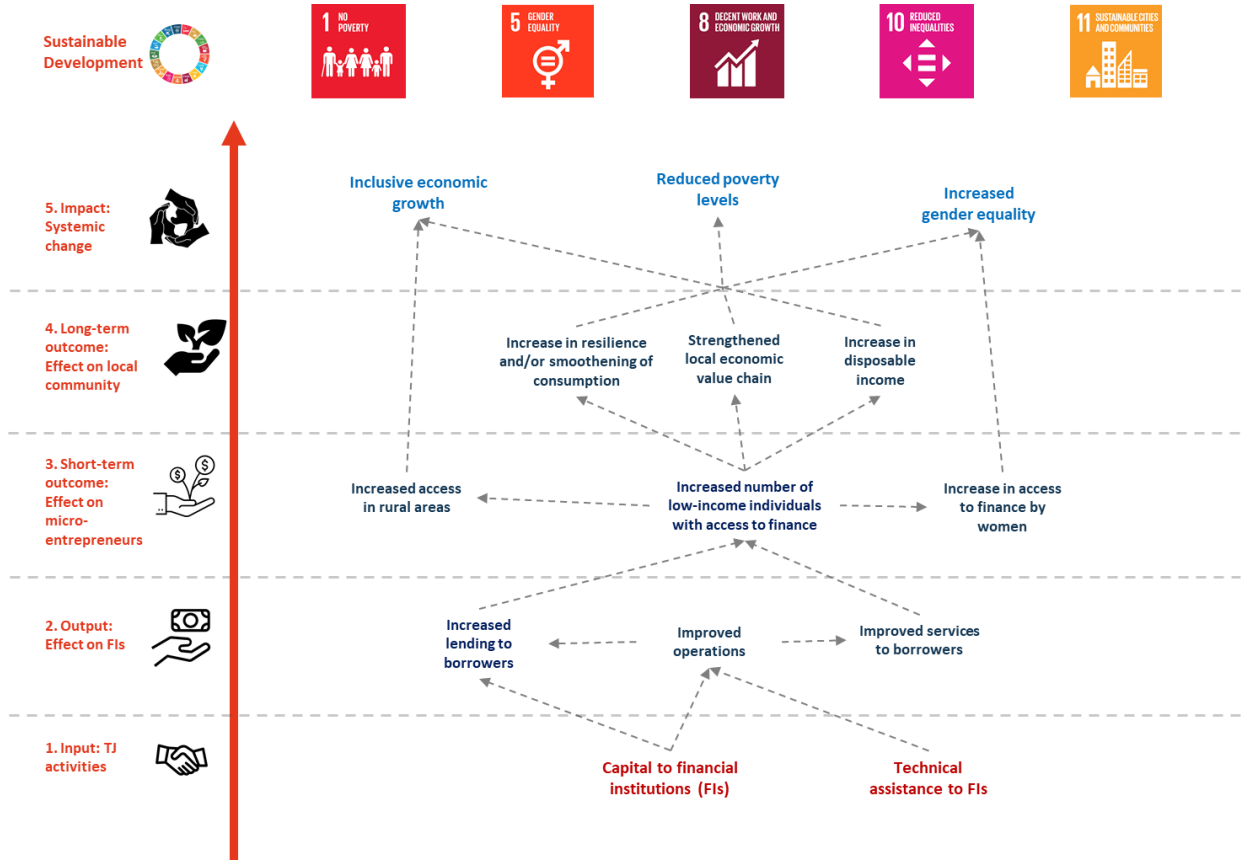
This Policy is reviewed on a regular basis and at least annually by the Manager ESG & Impact and approved by the Management Board. It forms the foundation of Triple Jump’s approach to managing ESG and Impact, but is considered a living document, as Triple Jump works continuously to enhance its RI practices. It is complemented by a dedicated ESG Policy and / or Environmental and Social Management System (ESMS) document per fund or business line.

Annexes

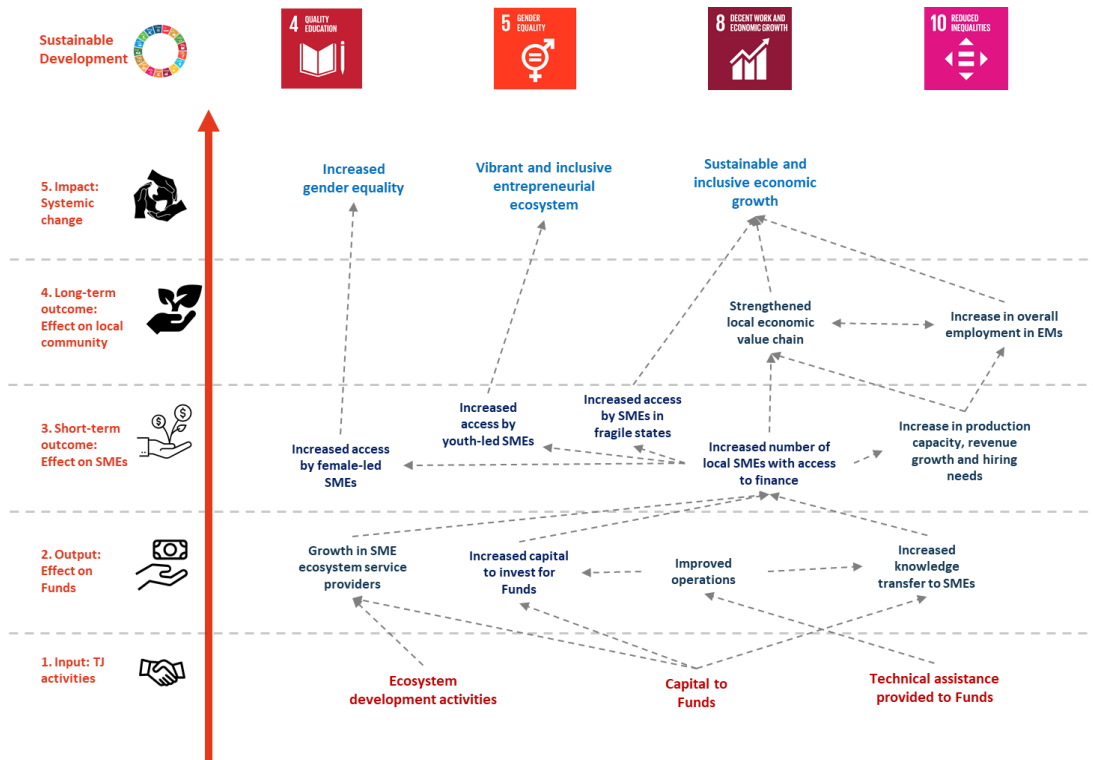
- Annex 1 - Simplified Theory of Change per business line
- Annex 2 – ESG Principles
- Annex 3 - ALINUS SPI4 – Dashboard

Annex 1 - Simplified Theory of Change per business line

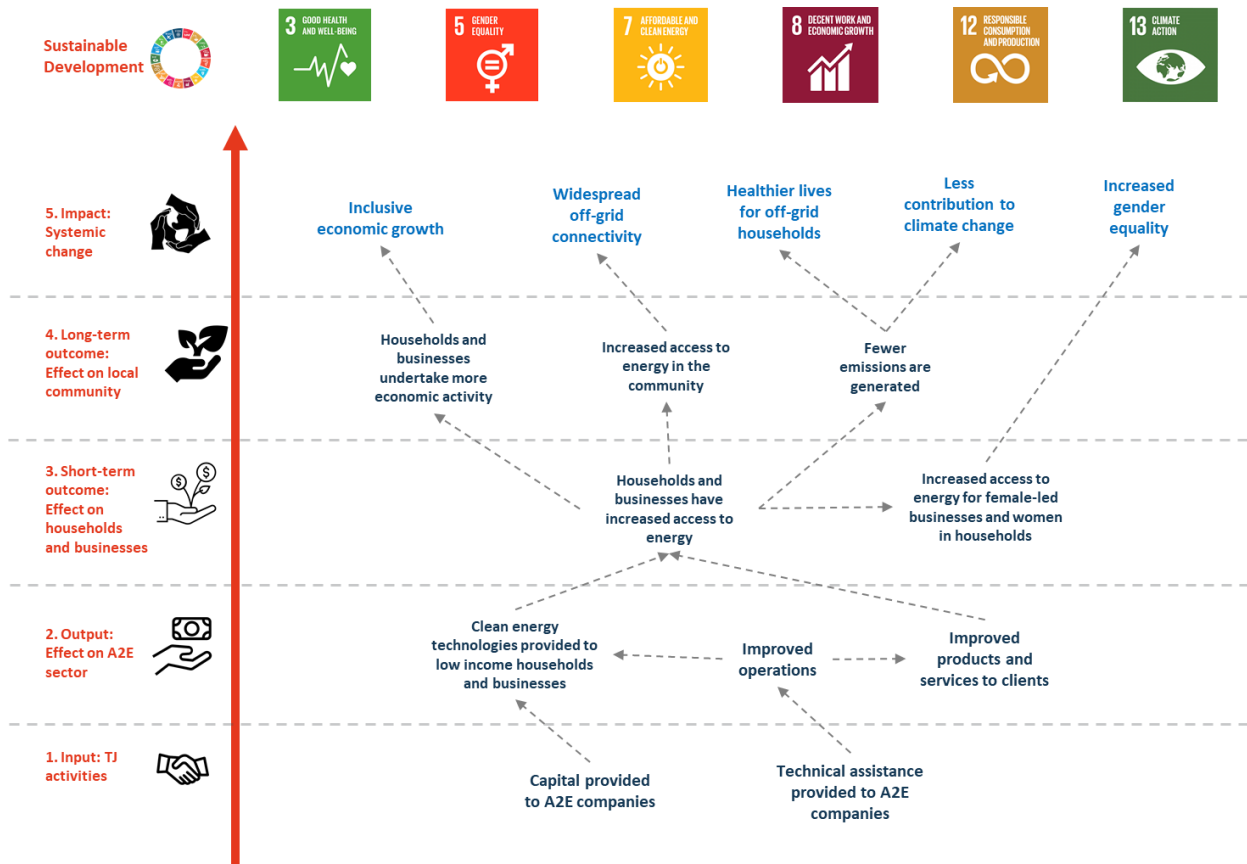
Microfinance



SME finance



Sustainable energy



Annex 2 – ESG Principles

ENVIRONMENTAL			
Principle	Definition	Standards	Assessment and indicator
Biodiversity conservation and deforestation	Companies shall not engage in activities that might lead to deforestation, land degradation, biodiversity loss, in particular in or near biodiversity-sensitive areas ¹ .	At the minimum companies should comply with local and international laws on protected areas and species. Biodiversity loss is not acceptable, unless the company has a policy and process in place to identify, avoid, minimize the adverse impacts of its activities on biodiversity.	Exclusion list ESG Policy and ESMS PAI 7 - Activities negatively affecting biodiversity-sensitive areas
Sustainable natural resource management	Companies shall manage natural resources in a sustainable manner, through the application of sustainable management practices appropriate to their sector. Sustainable use of resources, including energy and water, should be promoted.	Companies must follow the IFC Performance Standard 6: Sustainable Management of Natural Resources. At the minimum, companies must comply with national and international natural resource management regulations.	ESG Policy and ESMS
Pollution prevention and abatement	Companies shall avoid or minimize pollution (in air, water or soil) in order to lower adverse impacts on human health and the environment. GHG emissions should be reduced. Pollution prevention is defined as the use of materials, processes, or practices to reduce, minimize, or eliminate the creation of pollutants or waste. It includes practices that reduce the use of toxic or hazardous materials, energy, water and/or other resources.	Companies must follow IFC Performance Standard 3 (Resource Efficiency and Pollution Prevention). At the minimum, companies should comply with national and international pollution prevention and abatement regulations and have a policy and process in place to identify, avoid, minimize impact on the environment related to air, water or soil pollution.	Exclusion list (incl. PAI 4 – exposure to fossil fuel sector) ESG Policy and ESMS PAI 1 – GHG Emissions PAI 2 – Carbon footprint PAI 3 – GHG intensity of investee companies PAI 5 – Share of non-renewable energy consumption and production PAI 6 – Energy consumption intensity PAI 8 – Emissions to water PAI 9 – Hazardous waste ratio

¹ 'biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected area

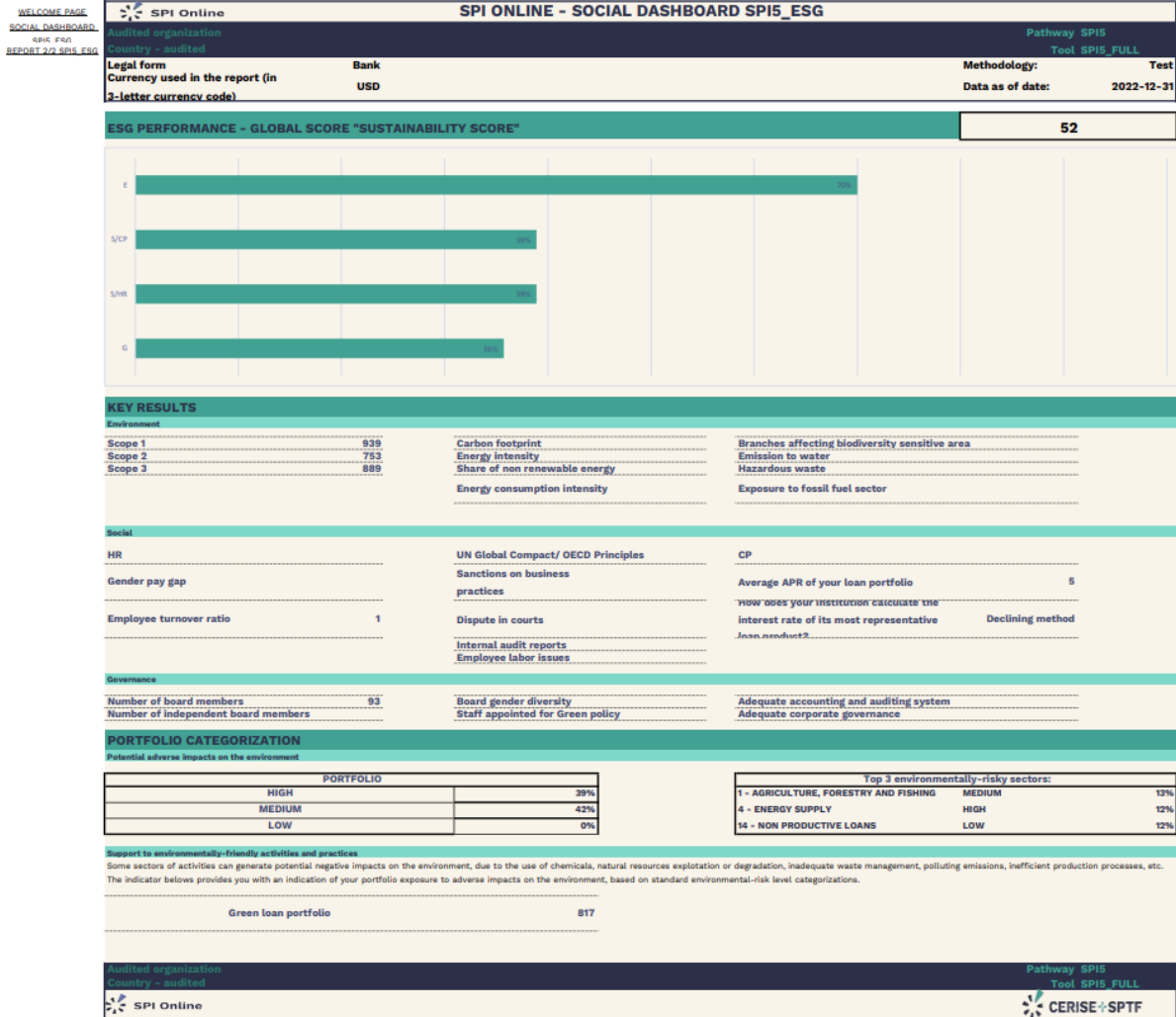
	Pollution abatement refers to technology applied, or measures taken to reduce pollution and/or its impacts on the environment. The most commonly used technologies used in pollution abatement include filters, waste-water treatment facilities, composting, and the use of renewable energy sources.		
SOCIAL			
Principle	Definition	Standards	Assessment and indicator
Human Rights	<p>TJ shall invest in companies that support and respect the protection of internationally recognised human rights and are not complicit in human rights abuses.</p> <p>This implies that companies shall:</p> <p>(1) avoid infringing on the human rights of individuals and</p> <p>(2) address adverse human rights impacts resulting from their own operations, supply chains or business relations.</p>	Companies shall comply with the UN Guiding Principles on Business and Human Rights, in particular Pillar II (corporate responsibility to respect human rights) and Pillar III (access to remedy).	<p>Exclusion List</p> <p>ESG Policy and ESMS</p> <p>Complaints mechanism</p> <p>PAI 10 - Violations of UNGC principles and OECD Guidelines for MNEs</p> <p>PAI 11 - Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD Guidelines for MNEs</p>
Client protection	Clients served by TJ Investee companies are often microenterprises and low-income individuals. Because these end-clients are vulnerable, managing client protection risks should be among the companies' E&S priority.	<p>FI companies are required to publicly commit to and comply with the Client Protection Standards. They are composed of the following eight standards:</p> <ul style="list-style-type: none"> • Appropriate Product Design & Delivery • Prevention of Over-Indebtedness • Transparency • Responsible Pricing • Fair & Respectful Treatment of clients • Privacy of Client Data • Mechanisms for Complaints Resolution 	<p>Formal commitment to the Client Protection Pathway</p> <p>ALINUS Dimension 3 and 4 (24 indicators)</p>

		<ul style="list-style-type: none"> • Governance & HR 	
Land acquisition and involuntary resettlement	<p>TJ shall invest in companies that take the necessary measures to ensure that land acquisition does not lead to involuntary resettlement.</p> <p>Involuntary resettlement can have adverse impacts on communities and persons that either live on the acquired land or depend on it for their livelihood.</p> <p>Involuntary resettlement refers to:</p> <p>(1) physical displacement (relocation or loss of shelter)</p> <p>(2) economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood)</p>	<p>Companies must follow IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement.</p> <p>At the minimum, companies must comply with national and international land acquisition and resettlement regulations.</p> <p>This includes the application of the principle of Free, Prior and Informed consent – i.e., ensuring that all involved parties (communities and persons) have been consulted and have voluntarily agreed with a resettlement and compensation plan.</p>	ESG Policy and ESMS
Remuneration	<p>TJ shall invest in companies that comply with applicable law, collective bargaining agreements and industry standards on the right for personnel to receive a living wage and on the provision of benefits and social protection.</p> <p>Companies should also strive to reach equal remuneration between female and male employees.</p> <p>Executive compensation should be based on market rates and aligned with the mission of the FI.</p>	<p>Companies must follow the IFC Performance Standard 2 (Labour and working conditions) and Dimension 5 of the USSEPM (Responsible Human Resource Development).</p> <p>At the minimum, employee wages should be equal or above the country's living wage and the company must provide minimum benefits and social protection as required by local regulation.</p>	<p>ALINUS dimension 5</p> <p>The minimum fixed monthly salary for entry-level employees.</p> <p>Executive compensation questionnaire</p> <p>PAI 12- Unadjusted gender pay gap</p>

Non-discrimination	TJ shall invest in companies that refrain from any forms of discrimination in the recruitment and treatment of their employees and customers. This includes discrimination on age, sex/gender, race/ethnicity/national origin/social origin /caste, religion, health status (including HIV status), disability, sexual orientation, political affiliation/opinion, civil/marital status).	At the minimum, companies should comply with national and international regulation prohibiting discrimination of employees and customers and should explicitly refer to anti-discrimination in their (HR) policies. Companies should also pay attention to gender equality and actively work towards narrowing the gender gap.	HR policies ALINUS dimension 5 2X challenge criteria PAI 12 – Unadjusted gender pay gap PAI 13 – Board gender diversity
Health & Safety	Companies shall provide a safe and healthy workspace environment and shall take effective steps to prevent potential health and safety incidents, injuries and illness associated with work.	Companies must follow the IFC Performance Standard 2 (Labour and working conditions) and Dimension 5 of the USSEPM (Responsible Human Resource Development). At the minimum, companies should comply with national and international health and safety regulations and ensure the safety of their field staff when traveling to clients.	HR policies ALINUS dimension 5
Working hours	Companies shall comply with applicable law, collective bargaining agreements and industry standards on working hours. The normal working week should not be excessive. Overtime should be voluntary and not be requested regularly.	Companies must follow the IFC Performance Standard 2 (Labour and Working Conditions) and Dimension 5 of the USSEPM (Responsible Human Resource Development). At the minimum companies should comply with local laws on working hours and this should be reflected in their (HR) policies.	ALINUS 5.A.1.2.4
GOVERNANCE			
Principle	Definition	Standards	How assessed

<p>Environmental and Social Management System (ESMS)</p>	<p>Companies must define an E&S strategy and process that articulate how it identifies and manages the main social and environmental risks connected to its operations and the use of its products and services.</p>	<p>Companies are advised to follow the IFC Performance Standard 1 (Assessment and Management of Environmental and Social Risks and Impacts)</p> <p>Companies shall have an ESMS in place to identify and manage the main E&S risks related to its operations and the use of its products and services. The complexity of the ESMS will vary according to the risk exposure that company is exposed to.</p>	<p>Review of ESMS and E&S Policy ALINUS</p>
<p>Complaints mechanism</p>	<p>Companies must implement a complaint mechanism for employees, end-clients and other stakeholders.</p>	<p>The complaint mechanism should be in accordance with the principles on accessibility, confidentiality, handling and governance.</p>	<p>Review of complaint mechanism and policy ALINUS PAI 11 - Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD Guidelines for MNEs</p>

Annex 3 - SPI5 ESG and ALINUS – Dashboards



Institutional organization Entity: Alinus	Pathway: SPI5 Test: SPI5_FULL
Legal form: Bank Currency used in the report (in 3-letter currency code): USD	Methodology: Test Date as of date: 2022-12-31

SOCIAL MISSION

Social mission text:



CONTEXT

Total number of clients	391	Number of branches	905	Number of staff	1138
Number of active borrowers	385	Branches in rural areas	810	Number of management staff	189
Women borrowers	166			Number of board members	93
				Number of women board members	65

FINANCIAL INFORMATION

Total Assets, volume, currency used in the report	1263	Financial Expense Ratio (as a % of average GLP)	7	PAR >30 + rescheduled (%)	11
Amount of Green Loan Portfolios in the report	12227	Operating Expense Ratio (as a % of assets)	8	Write-offs (during the period) (%)	16
Return on Assets (%)	8	Operational Self-Sufficiency (%)	3	Loan Loss Expense Ratio	5
Return on Equity (%)	15	Nominal Portfolio Yield (%)	12		



FOCUS ON PRODUCT DIVERSITY AND SUITABILITY

Focus on clients' satisfaction

The provider conducts client satisfaction surveys. Minimum frequency: every other year: **Yes**

The provider offers training to clients in areas where they have skill gaps that prevent them from achieving their goals: **No**

Borrower retention: **96.1%**

Focus on product diversity

Microenterprise loans	Yes	Mobile / digital products	Yes
SME loans	Yes	Insurance product(s) offered	Yes
Loans for agriculture	Yes	Other financial services offered	Yes
Loans for education	Yes	Non financial	Yes
Emergency loans	Yes	Savings	Yes
Housing loans	Yes	Number of voluntary savers	778
Consumer loans	Yes	Amount of total deposits in the currency used in the report	1362
Microleasing	Yes		

FOCUS ON COMMITMENT AND PROOF OF PRACTICES

PAR >30 + rescheduled (%)	11	CP-Compliant code of Conduct	No	Certification?	Bronze
How many complaints have you received in the last 3 months?	1232	CP-Compliant key facts document provided to the clients	Yes	Date	2022-12-31
Of these complaints in the last 3 months, % 1308		Client Protection "Commitment to Inclusion" Statement	Yes		

FOCUS ON RESPONSIBLE PRICING

Average APR of your loan portfolio	5
How does your institution calculate the interest rate of its most	Declining method

COMMENTS