

Helenos



IMPACT
REPORT
2021

MEASURING & MANAGING IMPACT: OUR ESG SYSTEM

AN ADVANCED SYSTEM TO FULLY INTEGRATE IMPACT IN OUR ACTIVITIES

Throughout 2021, the Helenos Manager, Inpulse Investment Manager, continued to improve the ESG System to assess, monitor and report on non-financial performance. It has been a significant challenge, requiring a constant evolution in methods to ensure coherence with the field and usability for the different users (clients, front office, investment committee). Inpulse's system is based on the best global practices for inclusive finance to measure, analyze, follow-up and score economic, social and environmental impact. Inpulse applies the UN SDGs as the key language to show our involvement to global sustainable development:

measuring and scoring the level of SDG achievement of Helenos' investees. Inpulse ESG System is aligned with the Universal Standards of the Social Performance (USSPM) Task Force, the Global Investing Network (GIIN-IRIS) guidelines and the Smart Campaign for client protection principles. The evaluation of the environmental performance is in line with the CERISE SPI4 Green Index and as well as the assessment of the effects of climate change on Helenos portfolio. Additionally, women empowerment is analyzed more in-depth through

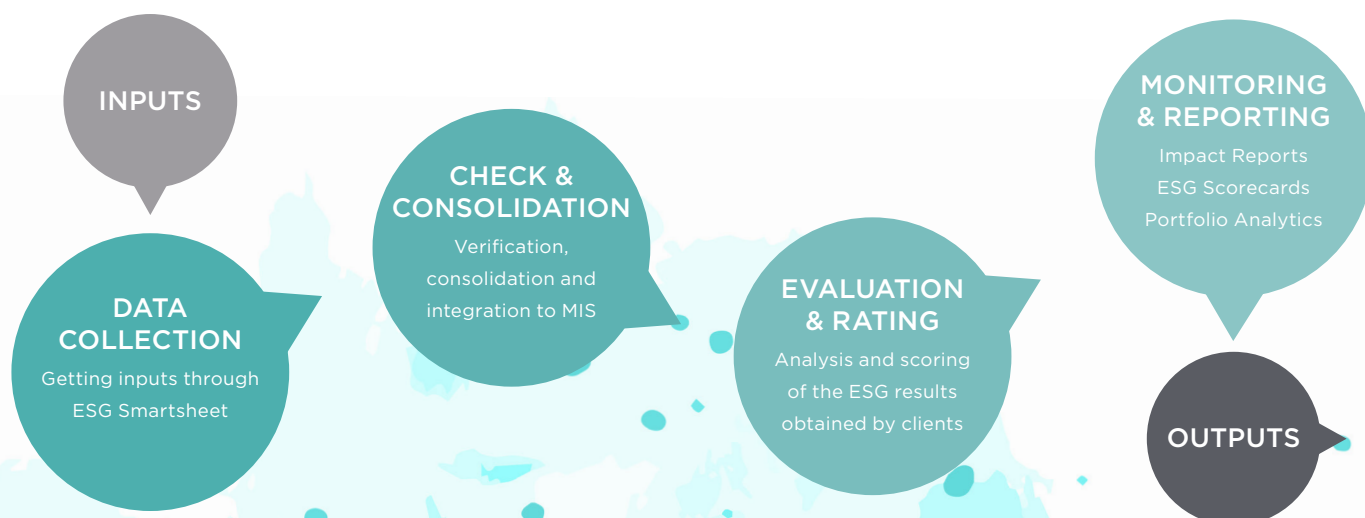
the benchmarks used by 2xChallenge initiative. Good governance control is heavily inspired by the European Code of Good Conduct for Microcredit provision. The French Finansol label, ensuring "solidarity savings" products based on a double standard of transparency and solidarity, has been renewed.

Through our improved ESG System, Inpulse ensures that Helenos investees are institutions that are seeking to alleviate socio-economic problems, while avoiding to harm their end clients. The impact approach has been elaborated in our Sustainability & ESG Policy and translated into practice through the ESG System to assess, select, monitor and report on all our investments. **In line with the SFDR Directive, Inpulse provides transparent and enhanced information in terms of environmental and social responsibility** of our financial products, in particular through the provision of quantitative data on non-financial sustainability of our investments. The present report is the third Impact Report and discloses the non-financial results of Helenos, which is targeting sustainable investments (Article 9).

PROCESS AND FUNCTIONING OF THE ESG SYSTEM

The system collects client information through the **ESG Smartsheet**, a matrix of quantitative and qualitative indicators over eight dimensions: 1. Mission, 2. Environmental Performance, 3. SPM Practices, 4. Products & Services, 5. Outreach, 6. Client Treatment, 7. Staff Treatment, 8. Governance. Data are verified to ensure quality and coherence and then are integrated to our MIS. The analysis and scoring of the data results in final outputs, which are used for both internal and external purposes. An **ESG Scorecard** is issued for every new investment to rate and

benchmark the non-financial performance of a potential investee over four key elements (SDGs, Environment, Gender, and Governance). The main purpose of the scorecard is to help decision makers taking investment decisions aligned with the mission of our funds. The indicators analyzed will contribute to establish impact objectives to be included in the loan agreements with investees. Finally, data collected through the ESG System will serve to produce **Impact Reporting that publicly discloses positive societal changes brought by Helenos.**



GENDER IMPACT ANALYSIS



Despite increased awareness since the World Conference on Women of the Beijing Declaration in 1995¹ and the progress made over the last years, women worldwide still face substantial inequalities. At the current rate, the gender gap would take around a hundred years to close. **Gender equality is not only a human development issue, but also a great opportunity for wealth creation.**

From an economic perspective, these inequalities hinder women's access to employment, career progression, income-generating activities, and access to finance. According to McKinsey Global Institute, reaching parity between men and women **would increase the global GDP by at least \$12 trillion by 2025.**² More and more women are becoming highly educated, entering the workforce, and starting businesses – in many countries at greater rates than men. These characteristics make them **an extremely attractive opportunity for the private sector** and especially financial intermediaries. Yet women globally are still significantly unserved and underserved by the financial services industry. **The potential of the women's market remains largely untapped.**

Integrating a woman-centered strategy has been an important groundwork at Helenos. Inpulse has been working on improving our sex-disaggregated data collection and we continually evaluate our impact on gender equalities at all stages, from due diligence to annual monitoring. Through a set of indicators reported by our investees, and in line with the **2XChallenge**, we are able to measure our contribution to close the gender gap through our investments and track the progress over the long run. For 2021, we analyzed and benchmarked the data collected throughout **criteria established by the 2XChallenge: Entrepreneurship, Leadership, Employment, and Consumption** and were able to put them in perspective compared to results from the previous year.

2XCHALLENGE

The 2XChallenge is an initiative launched by the DFIs of the G7 countries to direct capital towards women and increase access to finance for women-owned, women-led and women-supporting enterprises in developing countries and emerging markets. The 2X Challenge calls DFIs to join together to collectively mobilize \$3 billion in commitments that provide women access to leadership opportunities, quality employment, finance, enterprise support and products and services that enhance economic participation and access. The 2XChallenge has established five evaluation criteria to track impact and set thresholds to benchmark the achievements of actions to contrast gender gap.

WOMEN ENTREPRENEURSHIP

Women entrepreneurship is generally one of the most difficult dimensions to measure due to the lack of data from financial intermediaries. In 2021, Helenos investees disbursed a total of 26,289 business loans to women³, representing 34% of total loans, a percentage similar to 2020. After the reduction in 2020, this figure may indicate that the negative

impact of Covid crisis has been temporary and that the interests of women to start new businesses remain vivid. In 2021, Helenos allowed to **4.298 women to access for the first time to a loan** from an investee. At Helenos, we are quite proud of this result, materializing our impact across Europe.

GENDER ANALYSIS - HELENOS

OUR INDICATOR

- 📊 **Businesses founded** (or maintained) by women (%).

28%

2XCHALLENGE INITIATIVE

CRITERION

Women ownership or business founded by a woman

THRESHOLD

51%

WOMEN LEADERSHIP

Women's leadership in the financial services sector globally remains very low. The proportion of women in leadership roles is projected to reach 31% by 2030.⁴ Few women reach leadership positions in financial services companies across the world. Progress is still needed to reach equal accessibility and positive outcomes for women. Accounting for the indicators related to women's participation in managerial positions and Board of Directors, we measured the women's leadership dimension among our investees. **Out of 95 senior managers of the institutions in our portfolio, 57 were women**, representing 60% of women in senior management positions – a clear improvement

compared to last year (43%). Furthermore, out of the 49 members on the Board of Directors among our investees, 15 were women. This represents **31% of women participation on the BoD** (stable versus 2020). Such results are very positive since they represent high gender balanced distribution compare with the threshold set by 2XChallenge for the financial services sector and others global standards (for instance in the study of Oliver Wyman 2019, they identified globally a representation of 23% of women on boards⁵, pointed out that it is not enough)

GENDER ANALYSIS - HELENOS

OUR INDICATORS

- 📊 Women in **senior management** positions (%)

60%

- 📊 Women on the **Board of Directors** (%)

31%

2XCHALLENGE INITIATIVE

CRITERIA

Women in senior leadership

THRESHOLD

25%

Women on the Board or Investment Committee

30%

WOMEN IN THE WORKFORCE

Regarding women in the labor force, in 2020, our investees reported a total of 981 employees, of which 549 were women, representing 56% of the workforce (vs 46% in 2020).

These **results exceed the 40% benchmark established by the 2XChallenge** for the financial services sector.

GENDER ANALYSIS - HELENOS

OUR INDICATORS

📌 Women in the **staff** (%)

56%

📌 Investees with policies including gender **non-discrimination in the workplace** (%)

81%

2XCHALLENGE INITIATIVE

CRITERIA

Women in the workforce

THRESHOLD

40%

Existence of policy/
program to advance
women condition in the
workforce

In place

81% of our investees have policies or contractual agreements that include gender non-discrimination and prevention of gender-based violence in the workplace. Although our investees focus on gender equality, and 60% of

the senior management is made up of women, there is still a long way to go to achieve equitable conditions for women in the workplace.

FINANCIAL SERVICES TO WOMEN

In 2021, **81% of Helenos investees had a client gender equality policy** (vs. 83% in 2020). Some of the investees who reported not having a client gender equality policy in place pointed out that gender inclusion was integrated in

their corporate culture. However, since the contexts of each country involve complexities beyond the “culture” of each institution, **Helenos considers the existence of written policies as an important sign of formalization.**

GENDER ANALYSIS - HELENOS

OUR INDICATORS

📌 Investees with **specific financial products** for women (%)

27%

📌 Investees with a **client gender equality policy** (%)

81%

📌 **Women clients** (%)

33%

📌 **Bancarisation** of women (%)

4%

2XCHALLENGE INITIATIVE

CRITERIA

Products/services specifically or disproportionately benefits women

THRESHOLD

At least one product/
service specifically
addressed to women

Customers who are female

Women must
comprise the
majority of
customers

Of the **76,917 loans disbursed in 2021, 33% went to women.** Wanting to go beyond this traditional indicator, we asked our investees to provide metrics on the number of financial

services to women who had not previously had access to credit. The data collected shows that of the **4,298 loans allowed to bancarize women.**

ENVIRONMENTAL PERFORMANCE ANALYSIS



THE E-MFP GREEN INDEX & SPI4

The Green Index is a tool developed and implemented by the e-MFP Green Inclusive and Climate Smart Finance Action Group (GICSF AG) since 2014. The Green Index assesses green inclusive performance of finance sector.

The European Microfinance Platform (e-MFP) is the leading network of European organizations and individuals active in the microfinance/financial inclusion sector in developing countries.

SPI4 is one of the most widely used social assessment tools. An Excel questionnaire helps financial services providers evaluate their level of implementation of the Universal Standards for Social Performance Management, including the Smart Campaign Client Protection Principles. The SPI4 social audit tool enables institutions to assess their performance against the six major dimensions of social performance management defined by the SPTF.

The SPI4 tool also includes a module which enables MFIs which use the tool to assess their environmental performance. This module contains the four dimensions of the Green Index, which has been developed with the Environment Action Group of the European Microfinance Platform.

SPI4 has been developed by CERISE and its partners since 2001, with constant feedback from SPI users using an iterative and collaborative approach. CERISE is an organization “dedicated to responsible and ethical finance, willing to find solutions for mission-driven organizations.”

Over the last three years, Helenos through its AIFM, Inpulse, has taken seriously the commitment to monitor and evaluate the management and environmental impact of our investees. This effort allows Helenos to make better decisions oriented towards sustainable investments. **Improving environmental performance can as well help our investees to strengthen their financial and social management.** Nevertheless, evaluating environmental performance is not an easy task. **It implies great challenges, such as a paradigm shift towards a more holistic vision. One in which environmental and social criteria are evaluated and integrated into the decision-making process with a relevance similar to financial indicators.** Likewise, Inpulse has noticed that Helenos investees who advance in this vision, find themselves facing practical difficulties in relation to the documentation, monitoring and metering of environmental performance data. Under these considerations of commitment and challenges, Inpulse’s ESG system includes an environmental dimension structured in 5 standards and 17 quantitative and qualitative indicators, and the estimation and perception of certain impacts. Four of these standards are aligned with the Green Index 2.0⁶ and the fifth standard, developed in-house⁷, corresponds to Helenos investees’ perception of the effects of climate change on their clients and on their portfolio.

The impact analysis of 2021 show that the COVID-19 crisis has presented great challenges not only in financial and social activities, the core business of our investees, but also, significantly, in their environmental initiatives.

Although the environmental management of 2021 continues to be positive in general terms, it is also true that the pace of evolution for certain indicators has slowed down compared to the previous year. The indicators that significantly reduced their positive trend were those associated with the strategy, direction and communication of environmental management, as well as the indicators related to external environmental risk management. It is a direct consequence of the permanence of the Covid crisis and of the predominant role played by the recovery strategies launched during 2021. Although environmental management was not a direct part of the recovery strategy for most investees, it was still part of it for others. The development of environmental financial products and the orientation towards the rural sector and sustainable activities was present according to the studies carried out by Inpulse, ADA and Grameen Credit Agricole

Foundation during 2020 and 2021 and in our consolidated report « The impact of the crisis on microfinance institutions. Analyses and perspectives».⁸ Following this commitment to environmental management, in general terms, our investees slightly improved the management of their internal environmental risks and significantly increased the number of credits towards the financing of renewable energies,

green products/practices and sustainable agriculture. The consolidated environmental performance results of our investees during 2021 are detailed below. Besides, in order to evaluate the quality of these results we compare them with the Green Index 2.0 scores⁹ produced by SPI4 in March 2022, external and international environmental reference for the financial sector.

STANDARD 1: STRATEGY, DIRECTION, AND COMMUNICATION OF ENVIRONMENTAL MANAGEMENT

The result of this standard for Helenos is 48%, which represents a good environmental performance of our investees in comparison with the Green Index 2.0 Benchmark. 55% of our investees have established environmental objectives and/or indicators in a formal environmental policy. But in 2021 the use of these objectives to give strategic direction was reduced, representing 36% of investees, which is almost half of the results obtained in 2020. This is due to the strategic priority given to facing and managing the COVID pandemic. The same downward

trend was identified with respect to the assignment of a person/committee for environmental management and in the communication of environmental performance, whose result was lower compared to 2020. However, the commitment continues to be positive, if one takes into account that despite the difficulties faced by the COVID crisis, **45% of our investees assigned a person responsible for environmental management and that 36% of them communicated, through internal or public reports, their environmental management.**

GREEN ANALYSIS - HELENOS

OUR INDICATORS

- ❑ The investees have **environmental goals, targets and/or indicators** to provide strategic direction
- ❑ The investees **appoint a specific person to manage environmental issues**
- ❑ The investees **report on its environmental performance and practices**

43%

GREEN INDEX - SPI4

STANDARD

The institution defines, manages and monitors its environmental strategy

39%

AVG SCORE

STANDARD 2: INTERNAL ENVIRONMENTAL RISK MANAGEMENT

36% of our investees reported having implemented actions to reduce and monitor their internal environmental risks. These actions are mainly focused on reducing the consumption of paper, electricity and water. For other investees, digitalization has been the way to reduce the use of paper, streamline the financing process as well as facilitate

strategic environmental decision-making. Some other very committed initiatives of our investees are the application of policies and environmental and social management system¹⁰, the PCAF¹¹ report and the adoption of a plan to reduce the carbon footprint.¹²

GREEN ANALYSIS - HELENOS

OUR INDICATORS

- ❑ The investees implement **actions to reduce their internal environmental impact**
- ❑ The investees implement **actions to monitor their internal environmental impact**

36%

GREEN INDEX - SPI4

STANDARD

The institution implements actions to reduce its internal ecological footprint

42%

AVG SCORE

STANDARD 3: EXTERNAL ENVIRONMENTAL RISK MANAGEMENT

32% of Helenos investees score positively on this standard, which represents a good environmental performance in comparison with the Green Index 2.0 Benchmark. **64% of our investees reported having an explicit policy or exclusion list to avoid the financing of activities with potentially negative environmental effects.** In these lists, in addition to the traditional restrictions established by local laws and international agreements and credit control policies, some of our investees integrate their alignment with their credit manual,¹³ and the SDGs Agenda 2030.¹⁴ Others have been working during 2021 on their E&S Policy which will covers both exclusion lists and methodology to measure environmental risks at portfolio level.¹⁵ 36% of our investees carried out an evaluation of the external environmental impact generated by their clients. A figure

that reflects the environmental commitment despite the difficulties of the crisis, but which has been affected, being reduced by almost half compared to last year. Another indicator that suffered significantly from the consequences of the health crisis was the training of employees on how to evaluate the external environmental risks generated by their clients, going from 18% in 2020 to 1% in 2021. This highlights the need to continue supporting our investees with technical assistance directed towards this type of training, so important for the long-term strategy, but visibly less of a priority in times of crisis. However, our investees endeavored to maintain almost the same level of provision, 27%, of non-financial services to increase the environmental awareness of their clients.

GREEN ANALYSIS - HELENOS

OUR INDICATORS

- ❑ The investees **evaluate the external environmental risks and provide training to employees**
- ❑ The investees have an **explicit policy or exclusionary list to avoid environmental adverse effects**
- ❑ The investees **provide non-financial services to raise clients' awareness on environmental impact/risks**

32%

GREEN INDEX - SPI4

STANDARD

The institution manages its external environmental risks

30%

AVG SCORE

STANDARD 4: GREEN FINANCIAL AND NON-FINANCIAL PRODUCTS

During 2021, despite of the pandemic some of our investees continued to invest in green projects and activities. A total of **4,103 green loans were disbursed with a total portfolio allocation of 14%. EUR 134m was dedicated to sustainable housing, green agriculture, environmental products and Renewable energies/Energy efficiency.** These indicators had an increasing trend with respect to the previous year. In detail, there was an increase in loans dedicated to climate change finance renewable energies, energy efficiency and others regarding climate change mitigation and adaptation

(2,481), Green Products (609), Sustainable agriculture/ livestock (433), Clean transport (261). Besides, 219 loans were granted for sustainable housing, a figure with a downward trend compared to the previous year, but which represents the promotion of housing that contributes, in some way, to reducing vulnerability to adverse environmental conditions. Additionally, the interest of the investors in developing new green products was relevant, being almost double the previous year, thus reaching 64% of investors interested in focusing on this new sector.

GREEN ANALYSIS - HELENOS

OUR INDICATORS

- ❑ The investees offer **specific loan products to finance renewable energy & energy efficiency, sustainable agriculture, green loans and insurance products**
- ❑ The investees offer green financial and non-financial products to promote sustainable practices

10%

GREEN INDEX - SPI4

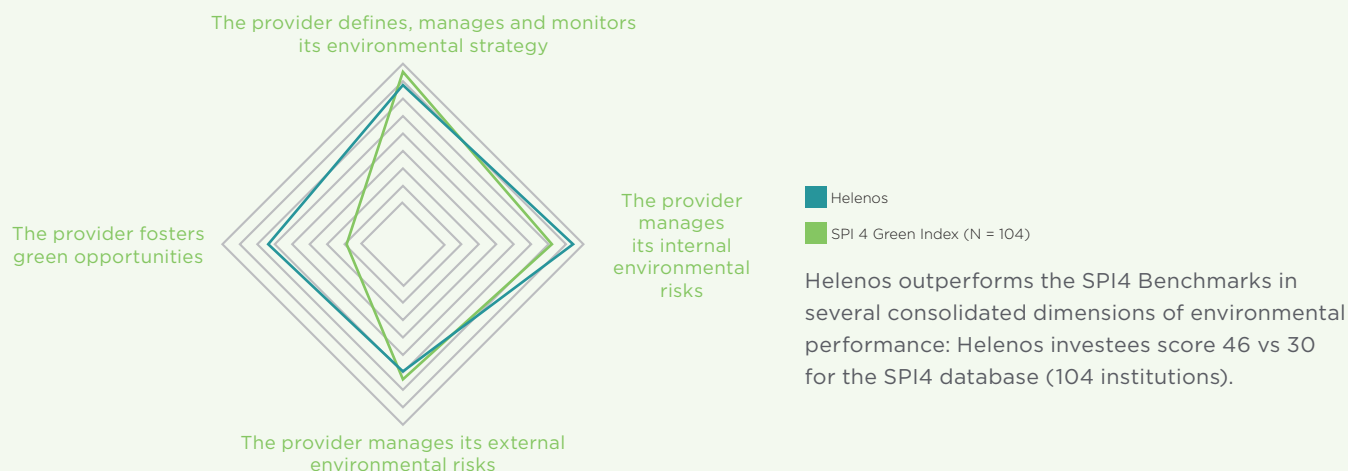
STANDARD

The institution fosters green opportunities

32%

AVG SCORE

HELENOS ENVIRONMENTAL PERFORMANCE COMPARED TO SPI4 GREEN INDEX SCORES

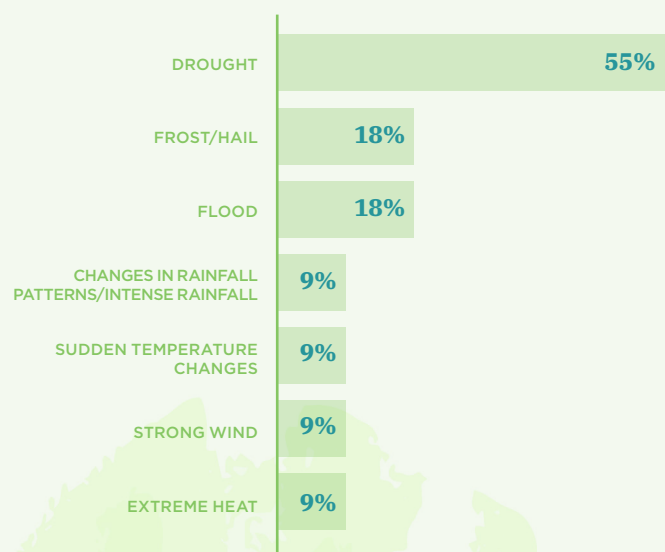


STANDARD 5: PERCEPTION OF OUR INVESTEEES ABOUT THE EFFECTS OF CLIMATE CHANGE

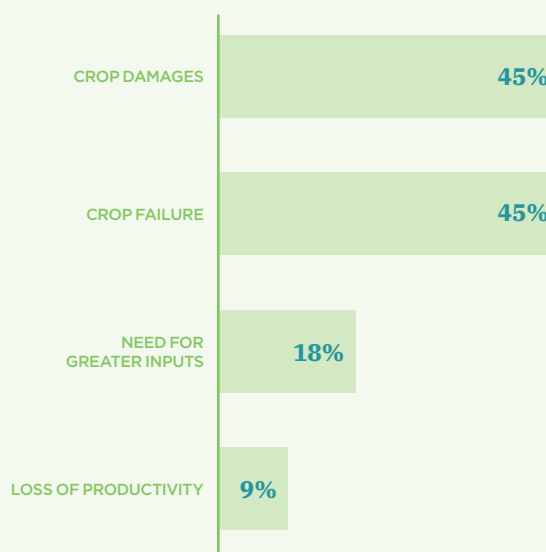
The perception of climate change by our investees has been measured through three main criteria. In general, in 2021, the perception of the negative effects of climate change seems to be more positive compared to last year. **The first criterion regarding the perception of the negative effects of climate change** the investees pointed out a greater presence of droughts (55%), frosts (18%) and floods (18%). **For the second criterion, related to the perceived damage**

to final beneficiaries' activities due to climate factors, the investees perceived the damage and loss of crops as the main damage (45%), followed by greater need for inputs of their clients (18%). And for **the third criterion that sought to determine the impact of these effects on the portfolio of our investees, the investees remarked** financial products most affected because the climate effects are agriculture and livestock (45%), as well as business (36%).

PERCEIVED NEGATIVE EFFECTS OF CLIMATE CHANGES

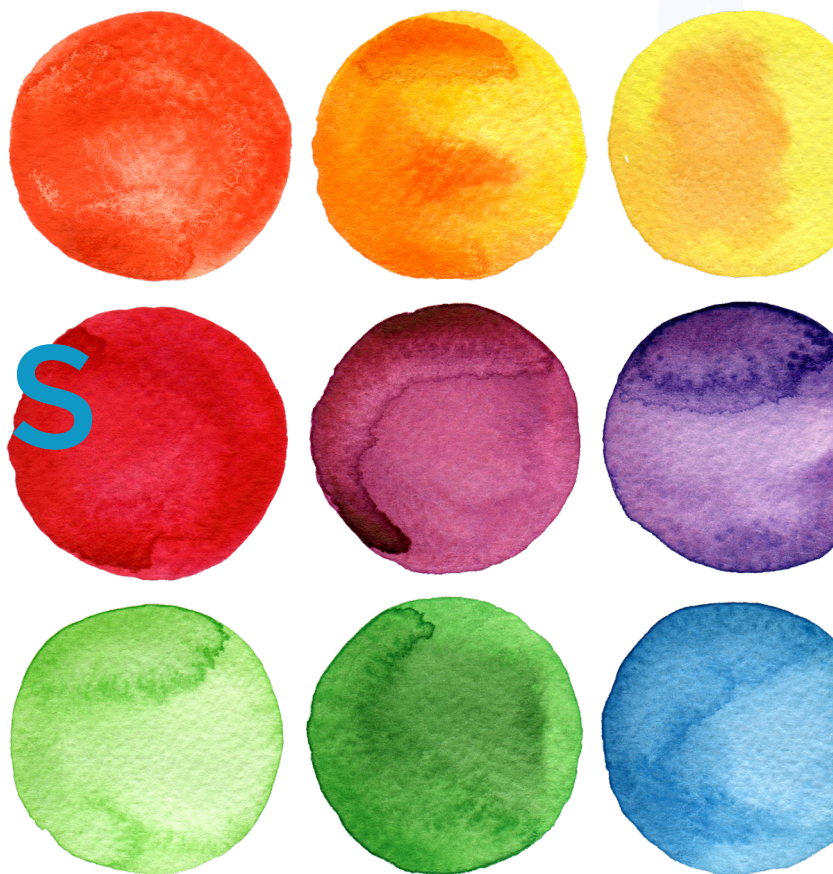


MAIN DAMAGES PERCEIVED ON CLIENT ACTIVITIES



SDGs IMPACT ANALYSIS

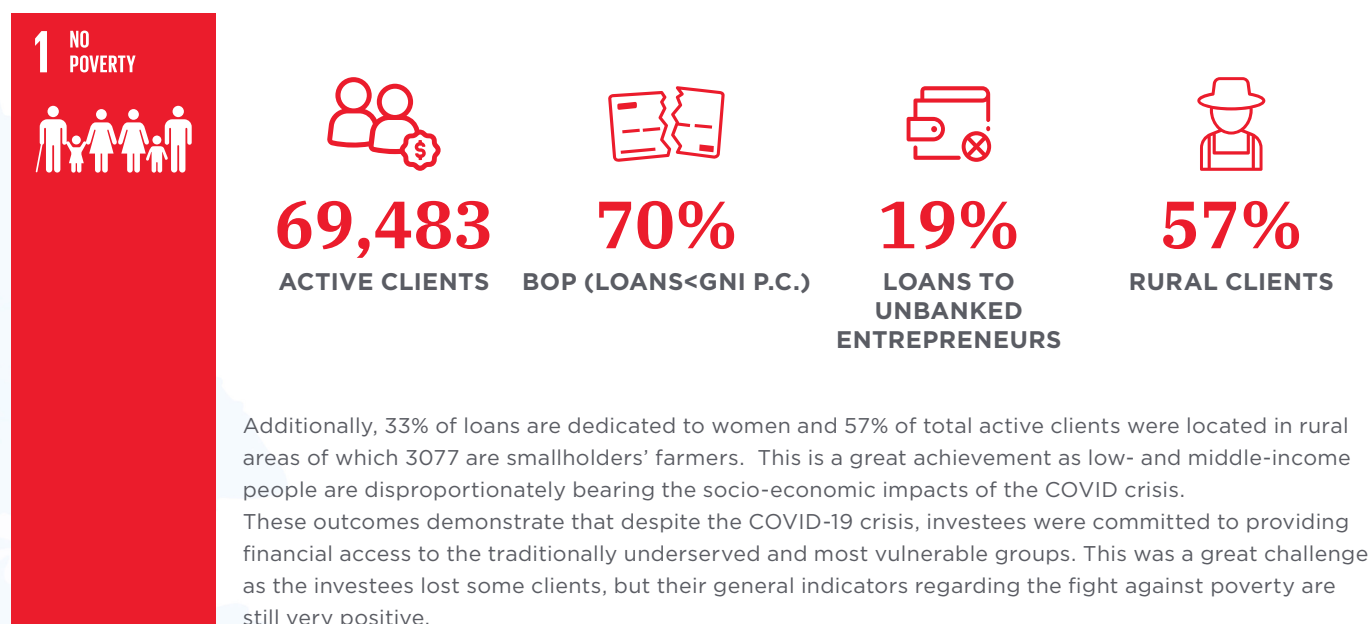
The Sustainable Development Goals (SDG) impact analysis correspond to the 2021 results and are built on the extensive feedback received by investees of the fund. The findings show that **Helenos contributes to the generation of positive social impact for seven SDGs as detailed below.**



SDG 1: NO POVERTY

During 2021, COVID-19 continued to grip countries and dominate lives around the world, resulting in restrictions on movement and everyday activities. The crisis induced an increase of 0.9% of extreme poverty income inequality among low-skilled workers, low-income households and informal workers.¹⁶

Helenos contributes to SDG1 by increasing access and usage of quality financial services for the underserved. Through reinforcing the capital strengthening of social financial intermediaries, Helenos is actively engaging in reducing poverty. As of today, the total outstanding portfolio of fund's investees accounted for **19% of unbanked people, disbursing a total amount of 50 million Euros** – a clear contribution of Helenos to the bancarisation of vulnerable entrepreneurs. Comparing the result with previous year, the figure shows **a growth of 10% of portfolio** while the loans below the GNI per capita are 70% of the fund portfolio. Thanks to its strategy, the fund still keeps targeting the most vulnerable people.



SDG 2: NO HUNGER

Recent studies alerts that **193 million people were facing acute food insecurity globally**.¹⁷ People experiencing moderate food insecurity are typically unable to eat a healthy, balanced diet on a regular basis because of income or other resource constraints. Additionally, **two third of extremely poor employed workers worldwide are agricultural workers**.¹⁸

In 2021, Helenos contributed to food security by supporting local rural activities, such as smallholder farmers and agricultural microenterprises. Over half of the loans disbursed by its investees addressed the rural sector and 180 million of the outstanding portfolio was dedicated to the development and improvement of agricultural and livestock activities. This amount has supported 17,529 farmers and their families across 8 countries in Europe.

The Covid-19 crisis and the war in Ukraine remind us of the importance of having a local food value chain. Through supporting 13 local institutions spread in 8 countries, Helenos participates to the subsistence and strengthening of local European small holder farming.



A customer from Merkur Cooperative Bank - Denmark
SKOULUND ORGANIC FARM¹⁹

Janni and Peter Sørensen have been running the organic farm Skoulund on the Louns peninsula in central Jutland since 1995. Today, they mainly grow crops such as Jerusalem artichokes, car-rots and potatoes, cereals such as oats and rye, as well as legumes such as lupins and broad beans. They also have a plantation supplying both elderflowers and elderberries for juices and cordials that are

produced and sold locally. Over the years, the two experienced farmers have also had livestock on the farm, but today they only use animals for nature conservation, and the farm has moved increasingly towards crop production. Sustainability and the climate play an important role for Janni and Peter Sørensen, and they were some of the first farmers in Denmark to start working with sustainability and climate action plans. Their increased focus on crop production is a natural step in this development, and the farm is self-sufficient in electricity power from its own solar cells.

SDG 5: GENDER EQUALITY

Increasing women's participation in the labor market has a strong, positive impact on the economy, notably in the context of a shrinking workforce and skills shortages. It also empowers women to shape their own lives, play a role in public life and be economically independent.²⁰ The difference between women's and men's employment rate in the EU is 11.6%.

Helenos is committed to promoting financial inclusion, business development and empowerment for women through its investees. In 2021, **33% of the loans were for to women, representing an improvement of total outstanding portfolio by 5%** in relation to 2020. Dedicated gender equality policies are in place for 81% of the investees allowing to borrow without any sort of discrimination.

Among the investees, women accounted for half of the workforce, and 32% of highest levels of corporate leadership were held by women. The findings are on a positive note considering the gender gap in financial services is persistently large, at 28,9% in 2021.

Despite the COVID-19 crisis, the indicators on the contribution to gender equality remained quite positive. It is evident that the crisis has affected women clients, however the institutions are actively committed to improving gender equality in the workplace. The topic remained high on management's agenda and an upward trend is also observed at all levels for an inclusive leadership.



5 GENDER EQUALITY

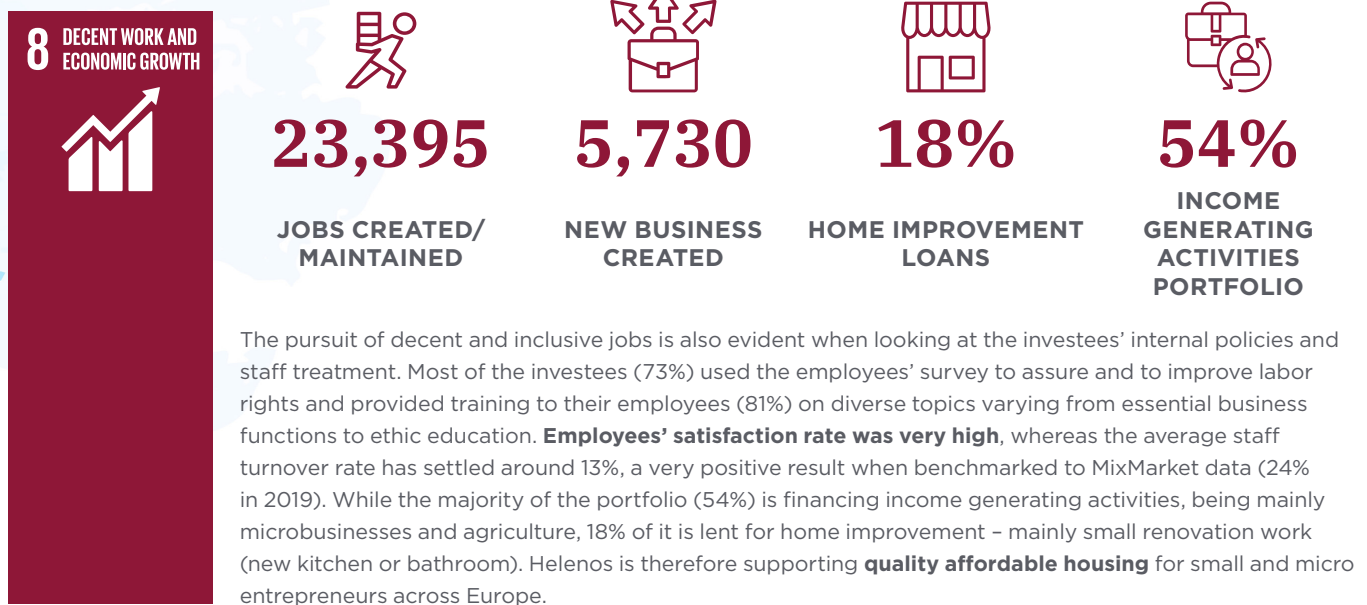


SDG 8: DECENT WORK AND ECONOMIC GROWTH

Nowadays, due to the COVID-19 crisis, International Labor Organization reports families living below the international poverty line increased for the first time since 2000.²¹ In 2021, unemployment is projected to remain above its pre-pandemic level until at least 2023. Moreover, the conflict in Ukraine raised new challenges as it has inflicted a major shock on commodity markets, disrupting global patterns of trade, production and consumption in ways that are likely to keep prices at high levels in the coming years.²²

To answer the ongoing crisis, Helenos **sustains SDG 8 by building the capacity of local responsible financial institutions to encourage the offering of technical assistance and the supply of loans for the creation of jobs and businesses.** It is quite remarkable TA offered to Lendino, one of fund investees, that aimed to enhance impact measurement and management capacity and to stimulate awareness on the social position of its clients.

In 2021, through the investments, Helenos supported the creation/maintenance of 23,395 jobs and 5,730 businesses. Of the total credits, the portfolio allocated to new and existing businesses was 20% of the total amount disbursed.



SDG 10: REDUCED INEQUALITIES

By mid-2021, the number of people who were forced to flee their countries due to war, conflict, persecution and events seriously disturbing public order had grown to 24.5 million. **For every 100,000 people, 311 are refugees outside their country of origin.** A growing number is expected in nearly future due to Ukraine crises. As of 12 April 2022, around 4.7 million refugees crossed borders into neighboring countries. The pandemic resulted in a growing number of young people who were neither gaining professional experience through a job, nor developing their skills through participation in an educational program. This is likely to have a lasting impact, making it harder for them to transition into the labor market in the coming years.²³

In 2021, Helenos contributed to financial inclusion and **the reduction of inequalities through the provision of financial services to young people, women, immigrants and minorities.** 27% of the loans were distributed to vulnerable groups, such as youth people, immigrants, refugees, smallholder farmers and people with physical or intellectual disabilities. The number of **youths under the age of 35 financed were 7,909 doubling** the result of previous years thank to the new investees covering the Balkans area



10 REDUCED INEQUALITIES



and more pronounced presence in Eastern Europe. In addition, 2,510 loans were targeted immigrants (3% of the clients). In this light, the invasion of Ukraine reflects the urgency of keeping staying alongside local institutions and contribute for social integration for the coming years.

Moreover, Helenos' invitees identified that they support 14.751 individuals that were unbanked before its financing. These are remarkable results that surely contributed to create spaces to cohesion and resilient society.

Fair and respectful treatment of clients was taken into account at the highest level. **100% of investees have established policies and strategies for client protection**, transparency of credit conditions, and **100% have established an appropriate system to resolve client complaints**. These results are reflected by positive client satisfaction surveys that indicate an average complaint rate of 0.16% and a **client resolution rate of 86%**. Moreover, 73% of investees offered non-financial services (e.g., business development services, financial literacy), and non-financial products (e.g., micro-insurance). Some of the clients offers savings as well as free of charge.



0.2%

CLIENT COMPLAINTS RATIO



86%

RESOLVED COMPLAINTS RATIO



73%

INVESTEES OFFERING NON-FINANCIAL SERVICES

SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION SDG 13: CLIMATE ACTION

The Paris Agreement sets ambitious aims to curb greenhouse gas emissions but also commits countries to strengthen adaptation (prevention, protection and response measures), which urgently needs to be scaled up. This includes implementing plans that should protect human health from the impacts of climate change.²⁴ Direct impact have been observed in relation to air pollution, droughts, floods and extreme temperature.

In 2021, Helenos promoted the development of green financial products. **55% of the investees have set an environmental goal, targets and indicators, which are included in a formal environmental policy or operational plan**. These intentions are reflected by the appointment of and specific person/committee to manage environmental performance in almost half of fund's investees and **36% implemented actions to monitor and/or reduce its internal environmental risk (ecological footprint)**. 81% of institutions reported to ensure the compliance with exclusionary list to avoid harming the environment and to directly mitigate the effect of climate change. In this light, some investees had specific obligations in the contracts to implement and improve an adequate Impact and measurement management system, such as collecting data on access to water and sewage system, house heating and insulation.

Through its investment, Helenos demonstrates its commitment to play a role as guideline for its investees setting up a framework to put in place new green services.



4,103

GREEN LOANS



81%

INVESTEES WITH ENVIRONMENTAL EXCLUSION LIST



55%

INVESTEES WITH ENVIRONMENTAL STRATEGY



36%

INVESTEES MONITORING INTERNAL ECOLOGICAL FOOTPRINT

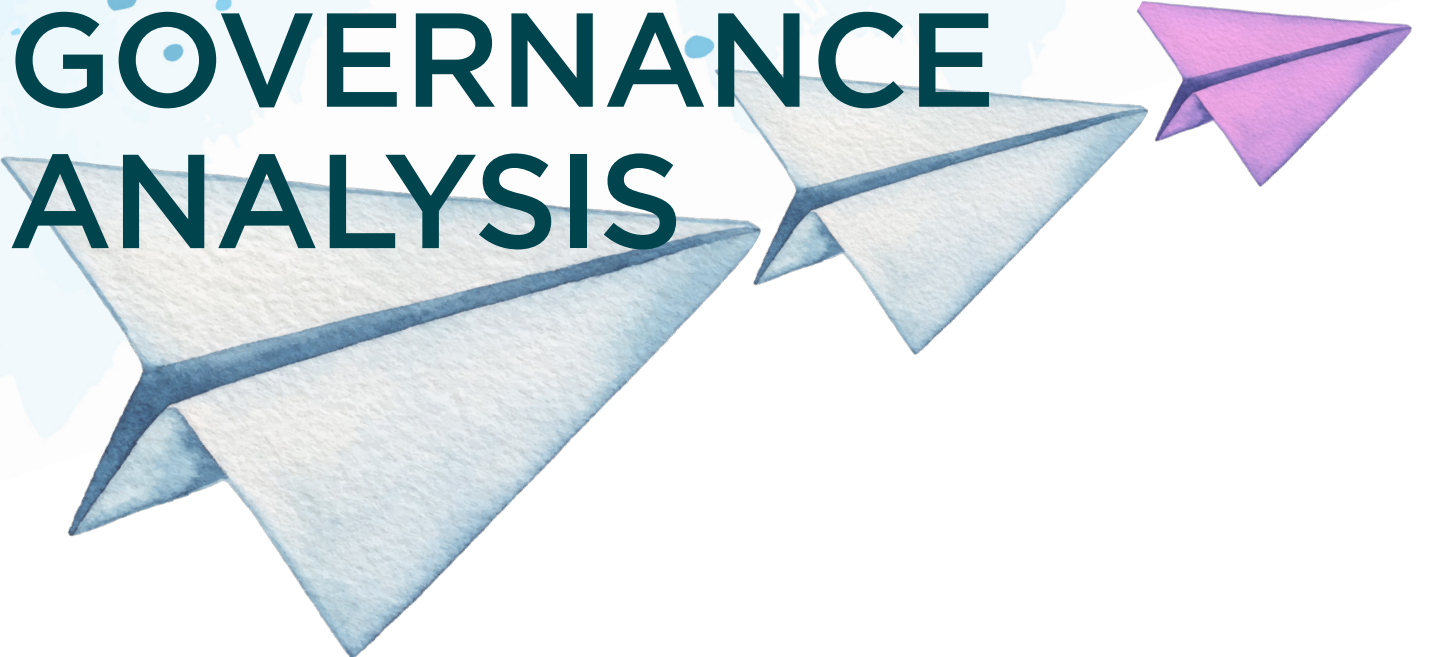
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



GOVERNANCE ANALYSIS



In line with the new developments of the internal ESG System, in 2021 Inpulse conducted an **in-depth evaluation of governance performance** of its investees. The evaluation considered 24 indicators (quantitative and qualitative) grouped in four key dimensions: 1. Business Planning, 2. Board Effectiveness & Independence, 3. Management, HR & Operational Manuals, 4. External Accountability. Regarding the Business Planning dimension, we are really satisfied by the achievement of our investees: 100% of them have strategic documents, regularly reviewed in 91% of the cases. Moreover, **91% of our investees included social goals, at least partially, in their bylaws and business plans.**

Regarding the Board Effectiveness and Independence, even if 100% of our investees have a Board of Directors, we still would like to see more women representation beyond the figure of 31 %, which is a stable figure compared to the rate observed in 2020 (32%). We are however satisfied to see that 60% of the managerial position of Helenos investees' are hold by women, which represents a clear improvement compared to 2020 (43%). The majority of the board members are independent from the management and **100% of our investees have put in place an audit or internal control committee independent from the management.**

Regarding Human Resources and Operations, 54% of our

investees have a succession plan; although this figure may appear as low, it needs to be put into perspective as 45% of Helenos' investees have a balance sheet lower than EUR 20M. Most of Helenos investees take care of their employees: 81% of the staff has been trained on essential job functions, and 25% on client protection topic. **100% of investees have an internal code of conduct** displaying the organizational values and standard of professional conduct expected by all employees. 73% of the investees performed an employee satisfaction survey in 2021: in 85% of the cases the employees evaluated their satisfaction over 85/100, which shows a stable figure compared to 2020 (87/100). On the side of client treatment, 73% of our investees assess their clients' satisfaction and 100% of them take into account client feedbacks to improve their products and processes. Regarding transparency and accountability, 100% of Helenos investees are audited by an external auditor on annual basis. Moreover, internal audits taking also in account social performance are carried out by 73% of our investees; the same percentage (73%-) of institutions reported during 2021 on their social performance and practices. 55% of Helenos investees have signed up the European Code of Good Conduct, and 2/3 of them have already been evaluated externally, obtaining the compliance certificate.

100%

HAVE AN INTERNAL
CODE OF GOOD
CONDUCT

73%

ASSESS THEIR CLIENTS
SATISFACTION

60%

OF SENIOR MANAGERS
ARE WOMEN

NOTES

1. <https://www.un.org/womenwatch/daw/beijing/platform/declar.htm>
2. <https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>
3. We calculate this metric using our business loans data, as we assume that these loans can contribute to the foundation, as well as maintenance, of a business by a woman entrepreneur.
4. For more information see: "Within reach? Achieving gender equity in financial services leadership", in: <https://www2.deloitte.com/content/dam/Deloitte/lu/Documents/financial-services/lu-women-in-fsi-leadership-roles.pdf?nc=1>
5. For more information see "Women in financial services 2020" in <https://www.oliverwyman.com/content/dam/oliver-wyman/v2/publications/2019/November/Women-In-Financial-Services-2020.pdf>
6. "The Green Index 2.0, An innovative tool to assess environmental performance in the microfinance sector" (2016) European Microfinance Platform.
7. This standard is aligned with the Green Index 3.0 but as this started to be implemented in 2022 our analysis is based on the 2.0 version.
8. <https://www.inpulse.coop/covid-19-impact-crisis-microfinance-institutions-analyses-perspectives/>
9. See more about the SPI4's benchmarks in: <https://cerise-spm.org/en/spi4/benchmarks-spi4/>
10. OMRO Romania
11. PCAF is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas (GHG) emissions associated with their loans and investments. <https://carbonaccountingfinancials.com/about>
12. Merkur, Denmark.
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14. Treball Solidari, Spain
15. OMRO, Romania
16. According to World Bank, Global economic prospects, June 2022
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23. Reduce inequality within and among countries, United Nations, 2021, <https://sdgs.un.org/goals/goal10>
24. United Nations, Paris agreement, 2015

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