



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p>Reason for interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on <input type="checkbox"/> To engage internal ESG decision <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in internal staff 	<p>Type of engagement</p> <p>Individual/internal staff engagements</p>	
	<p>Collaborative engagements</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To enhance corporate transparency for identifying the need to take action on <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To engage internal ESG decision <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in collaborative engagements
	<p>Service provider engagements</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To enhance corporate transparency for identifying the need to take action on <input type="checkbox"/> To engage internal ESG decision <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage in service providers

RI TRANSPARENCY REPORT

2017

Finance in Motion GmbH

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2017 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive,active strategies	✓	Private							✓
FI 02	Option to report on <10% assets	🔒	n/a							✓
FI 03	Breakdown by market and credit quality	✓	Private							✓
FI 04	Incorporation strategies applied	✓	Public	✓						
FI 05	ESG issues and issuer research	✓	Private	✓						
FI 06	Processes to ensure analysis is robust	✓	Public	✓						
FI 07	Types of screening applied	✓	Public	✓						
FI 08	Negative screening - overview and rationale	✓	Public	✓						
FI 09	Examples of ESG factors in screening process	-	n/a	✓						
FI 10	Screening - ensuring criteria are met	✓	Public	✓						
FI 11	Thematic investing - overview	✓	Private	✓						
FI 12	Thematic investing - themed bond processes	✓	Public	✓						
FI 13	Thematic investing - assessing impact	✓	Public	✓						
FI 14	Integration overview	✓	Public	✓						
FI 15	Integration - ESG information in investment processes	✓	Public	✓						
FI 16	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 17	ESG incorporation in passive funds	🔒	n/a	✓						
FI 18	Engagement overview and coverage	✓	Public		✓					
FI 19	Engagement method	✓	Private	✓	✓					
FI 20	Engagement policy disclosure	✓	Private	✓	✓					
FI 21	Financial/ESG performance	✓	Private							✓
FI 22	Examples - ESG incorporation or engagement	-	n/a	✓	✓					
FI 23	Communications	✓	Public		✓				✓	
FI End	Module confirmation page	✓	-							

Direct - Inclusive Finance				Principle							General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	7	
IFD 01	Mission and investment objective	✓	Public								✓
IFD 02	Governance, management structures and processes	✓	Public								✓
IFD 03	Social targets	✓	Private								✓
IFD 04	Percentage in equity, debt and guarantees	✓	Private								✓
IFD 05	Percentage in microfinance and/or SME finance	✓	Private								✓
IFD 06	Geographical spread of microfinance investments	✓	Private								✓
IFD 07	Tracking microfinance investees portfolio	✓	Public	✓							
IFD 08	Support financial services beyond credit, compulsory savings and/or compulsory insurance	✓	Public	✓							
IFD 09	Support the introduction of services tailored to the 'poor', 'very poor' and 'low income'	✓	Private	✓							
IFD 10	Technical assistance to investees	✓	Private	✓							
IFD 11	Public endorsement of the Client Protection Principles	✓	Public		✓						
IFD 12	Provide training and assistance for investees implementing the Client Protection Principles	✓	Private		✓						
IFD 13	Include the Client Protection Principles in investment policies	✓	Public		✓						
IFD 14	Investment in local currency	✓	Public			✓					
IFD 15	Average maturity of debt investments	✓	Public			✓					
IFD 16	Average holding period of equity investments	🔒	n/a			✓					
IFD 17	Terms and conditions	✓	Public			✓					
IFD 18	Tools for social performance reporting	✓	Public				✓				
IFD 19	Retail institutions have independent financial/social rating and/or social audit	✓	Public				✓				
IFD 20	Due diligence on and monitoring and reporting of corporate governance among investees	✓	Public				✓				
IFD 21	Training or assistance for investees on corporate governance	✓	Private				✓				
IFD 22	Percentage of investees where board seats are held	🔒	n/a				✓				
IFD 23	Procedure to integrate environmental issues in investment decision processes	✓	Public				✓				
IFD 24	Anti-corruption and whistle-blowing policies	✓	Private				✓				
IFD 25	How mission and investment objectives are communicated to stakeholders	✓	Private					✓			
IFD 26	Investors and/or the public provided with information aligned with industry standards	✓	Public					✓			
IFD 27	Transparency of pricing, terms and conditions among investees	✓	Public					✓			
IFD 28	How social performance of investees affects decision making and portfolio	✓	Public						✓		

	management																		
IFD 29	Staff incentives linked to social performance measures	✓	Private																✓
IFD 30	Collecting data regarding social outcomes of investees work	✓	Private																✓
IFD 31	Incentivise investees to track social performance	✓	Private																✓
IFD 32	Collaborative initiatives your organisation has supported or participated in	✓	Public																✓
IFD 33	Encouraging investees to participate in collaborative initiatives	✓	Private																✓
IFD 34	Encouraging your investees to participate in initiatives which contribute to the development of industry benchmarks	✓	Private																✓
IFD End	Module confirmation page	✓	-																

Finance in Motion GmbH

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic Information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory services

OO 01.2

Additional information. [Optional]

Finance in Motion is an impact investing advisor exclusively focused on development finance. We are one of the world's leading asset managers in this field, advising funds with around EUR 1.7 billion in assets under management (as of 31 December 2016).

On behalf of public and private investors as well as international finance institutions, we focus on developing and advising scalable and commercially sustainable investment funds with the primary goal of achieving significant economic, social and environmental impact in low- and middle-income countries.

Our expertise includes micro, small and medium enterprise finance, housing finance, energy efficiency and renewable energy finance as well as finance for the conservation of natural resources and biodiversity. We focus on identifying, analyzing, and monitoring the financial institutions or projects we partner with through the funds we manage or advise. In addition, we provide partner institutions with high-impact and tailored technical assistance to maximize outreach efforts, coordinate and implement projects, manage risk, and promote the principles of Responsible Finance.

With more than 170 staff from more than 40 countries, Finance in Motion has a strong market presence in the regions of Southeast Europe, South Caucasus, Latin America and the Middle East and North Africa. Our 15 regional offices are staffed with more than 50 local professionals who have an in-depth understanding of their respective markets.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Germany

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

175

OO 03 **Mandatory** **Public** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2016

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.

	trillions	billions	millions	thousands	hundreds
Total AUM		1	717	236	862
Currency	EUR				
Assets in USD		1	837	792	915

OO 06 **Mandatory** **Public** **Descriptive** **General**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 06.1 How you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)
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Listed equity	0	0
Fixed income	10-50%	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	>50%	0
Cash	<10%	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06.2

Publish our asset class mix as per attached image [Optional].

OO 09

Mandatory to Report Voluntary to Disclose

Public

Peering

General

OO 09.1

Indicate the breakdown of your organisation's AUM by market.

Developed Markets	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
<i>Total</i>	<i>100%</i>

Gateway asset class implementation indicators

OO 11	Mandatory	Public	Gateway	General
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OO 11.1

Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

- Fixed income - corporate (financial)
- Fixed income - corporate (non-financial)
- Inclusive finance
- Cash
- None of the above

OO 12	Mandatory	Public	Gateway	General
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You will need to make a selection in OO 12.1 only if you have any voluntary modules that you can choose to report on.

OO 12.1

Select from below any additional applicable modules or sections you would like to report on voluntarily. You are only required to report on asset classes that represent 10% or more of your AUM.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Fixed Income

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)

Direct - Other asset classes with dedicated modules

Inclusive Finance

Closing module

Closing module

Finance in Motion GmbH

Reported Information

Public version

Direct - Fixed Income

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ESG incorporation in actively managed fixed income

Implementation processes

FI 04	Mandatory	Public	Gateway	PRI 1
FI 04.1	Indicate 1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and 2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

Corporate (financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	0
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	100
	No incorporation strategies applied	0 100%
Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	0

	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	100
	No incorporation strategies applied	0
		100%

FI 04.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

Finance in Motion is an impact investing advisor exclusively focused on development finance. Our funds have the primary goal of achieving significant positive economic, social and environmental impact in low- and middle-income countries. Applying a combination of ESG incorporation strategies for our fixed income investments is thus part of our core business.

FI 06	Mandatory	Public	Additional Assessed	PRI 1
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FI 06.1 Indicate how you ensure that your ESG research process is robust:

- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify
- None of the above

FI 06.2 Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is a standard item on all individual issuer summaries, 'tear sheets', 'dashboards' or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

(A) Implementation: Screening

FI 07	Mandatory	Public	Gateway	PRI 1
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FI 07.1 Indicate the type of screening you conduct.

Select all that apply

	Corporate (financial)	Corporate (non-financial)	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Norms-based screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

FI 07.2 Describe your approach to screening for internally managed active fixed income

Our fixed income investments are based on several screening activities. Firstly, we require our investees to adhere to exclusion lists. Amongst others, funding may not be used to finance activities involving forced labour, radioactive materials, unbound asbestos fibres, hazardous chemicals, or wood or other forestry products from unsustainably managed forests ("negative screening"). Secondly, since we seek to achieve positive impact, our investments are based on investment guidelines or "green lists", which stipulate what investments are eligible. For instance, certain investments need to achieve a 20% reduction in energy consumption and/or a 20% reduction in CO2 emissions, or contribute to soil conservation and sustainable land use ("positive screening"). Thirdly, we apply environmental and social (E&S) performance requirements when analysing investments during due diligence processes ("norms-based screening"). This involves an assessment of the Environmental and Social Management Systems of financial institutions we invest in, and a full E&S due diligence based on E&S performance requirements for our direct investments. Similarly, analysing governance aspects is part of our standard due diligence process.

FI 08	Mandatory	Public	Descriptive	PRI 1
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Corporate (financial)

Corporate (fin)

- For legal reasons
- For non-legal reasons

Corporate (non-financial)

Corporate (non-fin)

- For legal reasons
- For non-legal reasons

FI 08.2 Describe your approach to ESG-based negative screening of issuers from your investable universe.

We require the financial institutions we provide financing to to adhere to our mandates' exclusion lists when on-lending to clients. Direct investments are screened against the same exclusions lists. Amongst others, funds may not be used to finance activities involving forced labour, radioactive materials, unbound asbestos fibres, hazardous chemicals, or wood or other forestry products from unsustainably managed forests.

Beyond legal reasons, we apply these criteria due to the mission of our funds. All funds we advise or manage are impact funds, which pursue a certain strategy in what they aim to promote (e.g. energy efficiency, biodiversity conservation). Hence, we exclude activities, which counteract the missions of our funds.

FI 10	Mandatory	Public	Core Assessed	PRI 1
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FI 10.1 Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks
Negative/exclusionary screening?	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
Norms-based screening	<input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

(B) Implementation: Thematic

FI 12	Mandatory	Public	Core Assessed	PRI 1
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FI 12.1	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles:
	<input type="checkbox"/> We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects <input type="checkbox"/> We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated <input type="checkbox"/> We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated <input type="checkbox"/> We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> None of the above

FI 12.2	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
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At present, we do not invest in 'green' or 'climate' bonds. Thus, FI 12.1 and FI 12.2 are not applicable.

FI 13	Mandatory	Public	Additional Assessed	PRI 1
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FI 13.1	Indicate how you assess the environmental or social impact of your thematic investments
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- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify

We measure the impact of our themed investments on specific ESG factors such as carbon emissions.
- None of the above

(C) Implementation: Integration

FI 14	Mandatory	Public	Descriptive	PRI 1
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FI 14.1	Describe your approach to integrating ESG into traditional financial analysis.
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As an impact investing advisor exclusively focused on development finance, integrating ESG into financial analysis is part of our core business. Our approach to fixed income investing is based on integrating the consideration of ESG aspects in all stages of the investment cycle in order to achieve a positive impact.

	Corporate (financial)
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When investing into financial institutions (FI), our ESG integration approach involves an E&S due diligence questionnaire to assess the FI's Environmental and Social Management System and yearly reporting on E&S compliance and performance. For financial institutions investing into renewable energy, it involves additional E&S requirements to be met. The consideration of corporate governance is integrated in our standard risk assessment and monitoring procedures in the investment cycle.

	Corporate (non-financial)
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When investing directly into non-financial institutions (mostly renewable energy projects), our ESG integration approach involves a full E&S due diligence, based on our E&S performance requirements, and a detailed E&S action plan derived from the E&S due diligence findings. The implementation of the E&S action plan by the client is monitored with support from E&S consultants. The consideration of corporate governance is integrated in our standard risk assessment and monitoring procedures in the investment cycle.

FI 15	Mandatory	Public	Core Assessed	PRI 1
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FI 15.1 Indicate how ESG information is typically used as part of your investment process.

Select all that apply

	Corporate (financial)	Corporate (non-financial)	
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is integrated into security weighting decisions	<input type="checkbox"/>	<input type="checkbox"/>	
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG analysis features in all internal issuer summaries or similar documents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	

FI 16	Mandatory	Public	Additional Assessed	PRI 1
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FI 16.1 Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
Corporate (financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

Corporate (financial)

When investing into financial institutions (FI), our ESG integration approach involves an E&S due diligence questionnaire to assess the FI's Environmental and Social Management System and yearly reporting on E&S compliance and performance. For financial institutions investing into renewable energy, it involves additional E&S requirements to be met. The consideration of corporate governance is integrated in our standard risk assessment and monitoring procedures in the investment cycle.

Corporate (non-financial)

When investing into non-financial institutions (mostly renewable energy projects), our ESG integration approach involves a full E&S due diligence, based on our E&S performance requirements, and a detailed E&S action plan derived from the E&S due diligence findings. The implementation of the E&S action plan by the client is monitored with support from E&S consultants. The consideration of corporate governance is integrated in our standard risk assessment and monitoring procedures in the investment cycle.

Fixed income - Engagement

FI 18	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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FI 18.1 Indicate if you engage on your fixed income assets. Please exclude any engagements carried out solely in your capacity as a shareholder.

Category	Proportion of assets
Corporate (financial)	<input type="radio"/> >50% <input checked="" type="radio"/> 26-50% <div style="background-color: #0070C0; color: white; padding: 2px;">FI 18.2 Indicate your motivations for conducting engagement.</div> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px;"> other description</div> <p>To increase our impact</p> <input type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% <input type="radio"/> We do not engage
Corporate (non-financial)	<input checked="" type="radio"/> >50% <div style="background-color: #0070C0; color: white; padding: 2px;">FI 18.2 Indicate your motivations for conducting engagement.</div> <input checked="" type="checkbox"/> To gain insights into ESG (i.e. enhance disclosure) <input checked="" type="checkbox"/> To effect change (i.e. ask an issuer to manage ESG risk and/or opportunity) <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px;"> other description</div> <p>To increase our impact</p> <input type="radio"/> 26-50% <input type="radio"/> 5-25% <input type="radio"/> More than 0%, less than 5% <input type="radio"/> We do not engage

FI 18.3	Additional information.[OPTIONAL]
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Complementary to fund management, Finance in Motion offers fully-fledged technical assistance (TA) management. Offering TA alongside funding typically serves the purpose of strengthening the institutional capacities of our funds' investees, thereby increasing the developmental impact and outreach to the final target groups while at the same time mitigating our funds' risk exposure.

Amongst other areas, TA is used to support product development for increased impact at the investee level and to help improve the capacity of our funds' investees in ESG management and performance. For instance, we support the enhancement of E&S monitoring systems of financial institutions. This is achieved through dedicated projects organised and financed by our funds' Technical Assistance Facilities.

Communication

FI 23	Mandatory	Public	Core Assessed	PRI 2,6
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FI 23.1 Indicate if your organisation proactively discloses information on your approach to RI across all of your fixed income investments.

- We disclose it publicly

Provide URL

<http://www.finance-in-motion.com/living-our-values/investing-responsibly/>

Provide URL

<http://www.finance-in-motion.com/about-us/what-makes-us-special/>

FI 23.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

FI 23.3 Indicate the information your organisation proactively discloses to the public regarding your approach to RI incorporation.

- Broad approach to RI incorporation
- Detailed explanation of RI incorporation strategy used

FI 23.4 Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries

Finance in Motion GmbH

Reported Information

Public version

Direct - Inclusive Finance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Context

IFD 01	Voluntary	Public	Descriptive	PIIF General
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IFD 01.1	Indicate if you have a distinct mission and investment objective for your investment in inclusive finance.
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Yes

IFD 01.2	Describe your inclusive finance mission and investment objective.
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Our mission is to promote sustainable development in emerging markets and developing countries through commercially-oriented development finance.

No

IFD 02	Voluntary	Public	Descriptive	PIIF General
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IFD 02.1	Provide a brief description of the governance and management structures and processes you have in place for your responsible investment activities and implementation of the PIIF.
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Finance in Motion's responsible investment activities are guided by a responsible investment framework developed by Finance in Motion. This framework integrates the most relevant principles and initiatives that Finance in Motion has signed: The Principles for Responsible Investment (PRI), the Principles for Investors in Inclusive Finance (PIIF) and the Smart Campaign to promote Client Protection Principles. The framework, called ESGRID, thus analyses Environment, Social, Governance (ESG), Responsible Financial Performance (R) and Impact for Development (ID). ESGRID is integrated into the investment activities of the Funds that we advise and manage and serves mainly as a screening tool for potential investees with the aim of: i) promoting responsible investment practices such as promoting the environment, responding to customer needs, and overall responsible business models and balanced returns, ii) protecting final borrowers through appropriate financial products, appropriate lending technology, pricing transparency and a responsible HR management. Besides this, all investment decisions are guided and approved by the board members of the Funds that we advise or manage, representing public and private investors. This ensures a responsible investment according to the specific development mandates of each Fund that Finance in Motion advises or manages.

Responsible investment performance is reviewed in each investment decision and, during the investment period, on a regular basis in internal rating committees. On an annual basis, investees have to report on environmental and social compliance.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

PIIF Principle 1: Range of services

IFD 07	Mandatory	Public	Core Assessed	PIIF 1
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Possible action:

Develop and extend the range of financial services available to low-income populations. Extensions could include savings, loans, insurance, payment services, remittance facilities and pension plans.

IFD 07.1

Indicate if you track the percentage of your microfinance investees' portfolio that is in microenterprise loans.

Yes, we track

If you aggregate this information at an organisational level, indicate the percentage of your portfolio in microenterprise loans. [Optional]

- <20%
- 20-40%
- 41-60%
- 61-80%
- >80%

No, we do not track

Not applicable (there are no microenterprise loans in the portfolio)

IFD 07.2

Indicate if you track the percentage of your microfinance investees' portfolio that is in loans for immediate household needs (i.e. consumer loans).

Yes, we track

No, we do not track

Not applicable (there are no loans for immediate household needs in the portfolio)

IFD 07.3

Indicate if you track the percentage of your investees' portfolio in housing loans.

Yes, we track

If you aggregate this information at an organisational level, indicate the percentage of your portfolio in loans for other categories. [Optional]

- <20%
- 20-40%
- 41-60%
- 61-80%
- >80%

No, we do not track

Not applicable (there are no loans for housing in the portfolio)

IFD 08**Mandatory****Public****Core Assessed****PIIF 1****IFD 08.1**

In your microfinance portfolio, indicate if you support the provision of financial services beyond credit, compulsory savings and/or compulsory insurance.

Yes

IFD 08.2

Indicate which of the following services you support:

- Voluntary savings products

Provide examples of how and what you support.

We promote sustainable deposit taking of partner institutions with dedicated Technical Assistance projects through the Funds that we manage or advise.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

- Yes
- No

Voluntary insurance products

Provide examples of how and what you support.

We explore the opportunities of micro-insurance products by Technical Assistance projects through the Funds that we manage or advise.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

- Yes
- No

Other financial services, specify

Leasing services

Provide examples of how and what you support.

By working with leasing companies, we encourage the provision of leasing services to small business.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

- Yes
- No

Non-financial services, specify

Financial education & business development services

Provide examples of how and what you support.

We promote financial education through various activities, for instance by developing educational brochures (e.g. on housing loans or agrifinance), conducting educational workshops with pupils to support youth financial literacy and supporting National Banks in the development of Financial Education Strategies.

Furthermore, we provide business development services, for instance by providing trainings directly to farmers, organizing competitions for fintech entrepreneurs and providing mentoring to local start-ups.

Indicate if you gather data regarding the percentage of financial service providers in your portfolio that are offering such a service.

- Yes
- No
- No

PIIF Principle 2: Client protection

IFD 11	Mandatory	Public	Core Assessed	PIIF 2
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Possible action:

Publicly endorse the Client Protection Principles (CPP).

IFD 11.1	Indicate if you have publicly endorsed the Client Protection Principles.
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- Yes
- No

IFD 11.2	Additional information. [Optional]
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<http://www.finance-in-motion.com/living-our-values/investing-responsibly/>

IFD 13	Mandatory	Public	Core Assessed	PIIF 2
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IFD 13.1	Indicate if you include the Client Protection Principles and/or other client protection measures in your investment policies.
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- Yes

IFD 13.2	Indicate if this is systematically applied.
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	During due diligence
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- Yes
- No

	In covenants in loan agreements and/or in financing or shareholder agreements
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- Yes
- No

IFD 13.3

Indicate if you encourage investees to apply for Client Protection Certification. [Optional]

- Yes
- No
- No

PIIF Principle 3: Fair treatment

IFD 14

Mandatory

Public

Core Assessed

PIIF 3

Possible action:

Provide financing in an appropriate currency and tenor.

IFD 14.1

In relation to your direct portfolio in debt, indicate if you provide investment in local currency.

- Yes

IFD 14.2

Indicate what percentage of your direct portfolio in debt is invested in the investee's local currency.

- <20%
 - 20-40%
 - 41-60%
 - 61-80%
 - >80%
- No

IFD 15

Mandatory

Public

Descriptive

PIIF 3

Possible action:

Provide financing in an appropriate currency and tenor.

Actively support the building of a diversified funding base.

IFD 15.1

In relation to your direct portfolio in debt, indicate what percentage have a maturity (from the point of investment) of the specified duration:

- 12 months or fewer
- 13 to 24 months
- 25 to 60 months
- Over 60 months

Indicate percentage

- <20
- 20-40%
- 41-60%
- 61-80%
- >80%

IFD 15.2 Indicate if you have a set limit regarding the maximum fixed income investment exposure of the investees in which you invest. [Optional]

- Yes
- No

IFD 17	Mandatory	Public	Core Assessed	PIIF 3
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Possible action:

Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.

IFD 17.1 Indicate if you adopt the following practices:

- For fixed income investments: Use the Lenders’ Guidelines for Setting Covenants in Support of Responsible Microfinance as an example or reference document.
- Ensure that the investee understands the terms, covenants and their implications prior to signing loan / shareholder documentation.

Describe your process.

Negotiations are held with investees prior to signing the loan, mostly in local language. Furthermore, we use a slightly simplified loan agreement for microfinance institutions.

Indicate if these practices are formalised in written policies and procedures.

- Yes
- No

- Foster trust and proactive dialogue with investees through straightforward discussions on issues such as a covenant breach.

Describe your process.

Through our staff in local offices we remain close to our investees and ensure an ongoing dialogue.

Indicate if these practices are formalised in written policies and procedures.

- Yes
- No

- In the case of material covenant breach, create/participate in a voluntary workout group where applicable, with the goal to help the investee remain a going concern whenever possible.

Indicate if these practices are formalised in written policies and procedures.

- Yes
- No

For fixed income investments: Train your staff on effective monitoring and covenant waiver negotiations to manage deteriorating conditions, and transition a non-performing loan from loan origination staff to specialised workout staff.

Indicate if these practices are formalised in written policies and procedures.

- Yes
- No

Encourage investee skills-building on financial projections, scenario planning and stress-testing for management, and on financial expertise and governance for Directors.

Indicate if these practices are formalised in written policies and procedures.

- Yes
- No
- Other (explain)

Have in place a complaint mechanism for investees (accessible via the funds' homepages).

Indicate if these practices are formalised in written policies and procedures.

- Yes
- No
- None of the above

PIIF Principle 4: Responsible investment

IFD 18

Mandatory

Public

Gateway

PIIF 4

Possible action:

Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.

IFD 18.1

Indicate if you use the following tools for social performance reporting:

Externally developed tools

During due diligence.

- Yes
- No
- We don't track social performance

For monitoring and reporting purposes.

- Yes
- No
- We don't track social performance

In-house tools based on externally developed tools

During due diligence.

- Yes
- No
- We don't track social performance

For monitoring and reporting purposes.

- Yes
- No
- We don't track social performance

Describe the approaches used and frequency of use.

Finance in Motion's responsible investment activities are guided by a responsible investment framework developed by Finance in Motion. This framework integrates the most relevant principles and initiatives that Finance in Motion has signed: The Principles for Responsible Investment (PRI), the Principles for Investors in Inclusive Finance (PIIF) and the Smart Campaign to promote Client Protection Principles. The framework, called ESGRID, thus analyses Environment, Social, Governance (ESG), Responsible Financial Performance (R) and Impact for Development (ID). ESGRID is integrated into the investment activities of the Funds that we advise and manage and serves mainly as a screening tool for potential investees with the aim of: i) promoting responsible investment practices such as promoting the environment, responding to customer needs, and overall responsible business models and balanced returns, ii) protecting final borrowers through appropriate financial products, appropriate lending technology, pricing transparency and a responsible HR management.

It is integrated into the Due Diligence process to apply in every Due Diligence.

Tools developed solely in-house

During due diligence.

- Yes
- No
- We don't track social performance

For monitoring and reporting purposes.

- Yes
- No
- We don't track social performance

IFD 19	Mandatory	Public	Descriptive	PIIF 4
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IFD 19.1

Indicate if you require the retail institutions in which you invest to have an independent financial rating.

- Always
- In a majority of cases
- In a minority of cases
- No

IFD 19.2

Indicate if you require the retail institutions in which you invest to have an independent social rating.

- Always
- In a majority of cases
- In a minority of cases
- No

IFD 19.3

Indicate if you require the retail institutions in which you invest to have an independent social audit.

- Yes
- No

IFD 20	Mandatory	Public	Core Assessed	PIIF 4
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Possible action:

Assist in developing appropriate references for corporate governance issues.

IFD 20.1

In relation to your due diligence on and monitoring and reporting of corporate governance among investees, indicate if you assess:

Compensation of the Board of Directors and Executive Directors (i.e. its transparency, the use of benchmarking)

Pre-investment

- Yes
- No
- Not for all of our investments in inclusive finance

Post-investment

- Yes
- No
- Not for all of our investments in inclusive finance

Composition of the Board (i.e. breadth and depth of experience, effective client representation, diversity)

Pre-investment

- Yes
- No
- Not for all of our investments in inclusive finance

Post-investment

- Yes
- No
- Not for all of our investments in inclusive finance

Describe what you look at and, if post-investment, the frequency of assessment. [Optional]

Beneficial ownership transparency and shareholding structure

Key control/governance mechanisms and bodies within the Bank: Supervisory Board, other Board-level committees (e.g. Audit Committee, Risk Management Committee)

Composition and responsibilities of Supervisory Board: number of board members, primary areas of expertise, compatibility of knowledge, judgment and experience relevant for the financial institution's level of operations

Appropriate policies regarding large and related party transactions

Management controls

Whether the Board receives social performance management-related information from the management team that is analysed and contributes to Board decision making.

Pre-investment

- Yes
- No
- Not for all of our investments in inclusive finance

Post-investment

- Yes
- No
- Not for all of our investments in inclusive finance

IFD 23	Mandatory	Public	Descriptive	PIIF 4
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Possible action:

Assist in developing appropriate references for environmental issues.

IFD 23.1 Indicate if you have a procedure to integrate the consideration of environmental issues in your investment decision processes.

- Yes
 - For all inclusive finance investments
 - For a majority of inclusive finance investments
 - For a minority of inclusive finance investments

IFD 23.2 Describe how your procedure to integrate the consideration of environmental issues in your investment decisions processes affect decisions pre-investment. [Optional]

Environmental aspects affect the internal Responsible Investment assessment (which is based on our internal ESGRID methodology) and hence the investment decision (pre-investment).

IFD 23.3 Describe how your procedure to integrate the consideration of environmental issues in your investment decisions processes affect decisions post- investment. [Optional]

Environmental aspects affect the internal Responsible Investment assessment and hence the investment decision in follow-up Due Diligences (post-investment).

- No

IFD 23.4 Indicate if you request your investees to comply with an environmental exclusion list.

- Yes, for all investees
- Yes, for a majority of investees
- Yes, for a minority of investees
- No

IFD 23.5 Additional information. [Optional]

PIIF Principle 5: Transparency

IFD 26	Mandatory	Public	Core Assessed	PIIF 5
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Possible action:

Fully disclose policies, criteria and related conditions of products and services to investees and other relevant stakeholders.

IFD 26.1	Other than the PRI/PIIF, indicate if you provide your investors and/or the public with information aligned with industry standards.
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Yes

IFD 26.2	Do you provide information aligned with:
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- The MIV Disclosure Guidelines
 - Yes, to our investors only
 - Yes, to the public
- The Impact Reporting & Investment Standards (IRIS)
- Other, specify
 SMART Campaign, SPTF
 - Yes, to our investors only
 - Yes, to the public

No

IFD 27	Mandatory	Public	Core Assessed	PIIF 5
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Possible action:

Ensure that investees adequately disclose the pricing, terms and conditions of financial products and services offered, and that the pricing, terms and conditions are understood by clients.

IFD 27.1	Indicate if you encourage the retail institutions in which you invest to ensure that the following are transparent and fully explained to their clients (i.e. those seeking financial services from them) in a form they can understand.
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	Pricing
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Yes

IFD 27.2	Indicate how you ensure this for pricing and provide examples.
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As part of the Due Diligence process, pricing transparency and the transparency of the general terms and conditions are verified on-site and off-site by investment officers. For example, loan contracts are analysed, if effective interest rates are being applied, etc.

No

	Other terms and conditions
--	----------------------------

Yes

IFD 27.3 Indicate how you ensure this for other terms/conditions and provide examples.

As part of the Due Diligence process, pricing transparency and the transparency of the general terms and conditions are verified on-site and off-site by investment officers. For example, loan contracts are analysed, if effective interest rates are being applied, etc.

No

PIIF Principle 6: Balanced returns

IFD 28	Mandatory	Public	Core Assessed	PIIF 6
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Possible action:

Strive for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors.

IFD 28.1 Indicate if the social performance of investees affects your:

Investment decision making

Yes

IFD 28.2 Explain how social performance of investees affects investment decision making.

Social Performance (or broader: adherence to responsible finance practices) is checked during the Due Diligence process. This includes whether returns, interest rates and growth rates are appropriate to the institution's particularity (effectiveness of management, governance etc) and to the particularities of the sector (overheating, availability of credit bureaus, use of credit bureau data etc). It also includes environmental and social aspects. The observations during the Due Diligence process affect the results of the investment decision.

No

Portfolio management

Yes

IFD 28.3 Explain how social performance of investees affects portfolio management.

The data from the Responsible Finance Assessments are stored in a centralized database and analysed over the entire portfolio.

No

PIIF Principle 7: Standards

IFD 32	Mandatory	Public	Core Assessed	PIIF 7
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Possible action:

Participate in networks to share tools, information and resources.

IFD 32.1

Select which of the following collaborative initiatives your organisation has supported or participated in, and the role you played.

The Principles for Investors in Inclusive Finance

- Yes
 - Basic
 - Moderate
 - Advanced
- No

The Smart Campaign

- Yes
 - Basic
 - Moderate
 - Advanced
- No

Social Performance Task Force

- Yes
 - Basic
 - Moderate
 - Advanced
- No

Financial Inclusion Equity Council (formerly CMEF)

- Yes
 - Basic
 - Moderate
 - Advanced
- No

European Microfinance Platform (eMFP)

- Yes
- No

Global Impact Investors Network (GIIN)

- Yes
 - Basic
 - Moderate
 - Advanced
- No

Other network, association memberships and/or specific collaboration related to the promotion of inclusive finance, specify

- Yes
- No