



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input checked="" type="checkbox"/> To engage internal staff</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	
<p>Collaborative engagements</p>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> </ul>	
<p>Service provider engagements</p>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues</li> <li><input type="checkbox"/> We do not engage in service providers</li> </ul>	

# RI TRANSPARENCY REPORT

2017

Cordaid

## 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	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	✓	Public							✓
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	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13	Long term investment risks and opportunity	✓	Public	✓						
SG 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 17	Innovative features of approach to RI	✓	Public							✓
SG 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	✓	Public								✓
IFD 04	Percentage in equity, debt and guarantees	✓	Public								✓
IFD 05	Percentage in microfinance and/or SME finance	✓	Public								✓
IFD 06	Geographical spread of microfinance investments	✓	Public								✓
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'	✓	Public	✓							
IFD 10	Technical assistance to investees	✓	Public	✓							
IFD 11	Public endorsement of the Client Protection Principles	✓	Public		✓						
IFD 12	Provide training and assistance for investees implementing the Client Protection Principles	✓	Public		✓						
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	✓	Public				✓				
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	✓	Public				✓				
IFD 25	How mission and investment objectives are communicated to stakeholders	✓	Public					✓			
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	✓	Public										✓	
IFD 30	Collecting data regarding social outcomes of investees work	✓	Public										✓	
IFD 31	Incentivise investees to track social performance	✓	Public										✓	
IFD 32	Collaborative initiatives your organisation has supported or participated in	✓	Public											✓
IFD 33	Encouraging investees to participate in collaborative initiatives	✓	Public											✓
IFD 34	Encouraging your investees to participate in initiatives which contribute to the development of industry benchmarks	✓	Public											✓
IFD End	Module confirmation page	✓	-											

Indirect - Inclusive Finance				Principle							General	
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	7		
IFI 01	Percentage of externally managed assets in inclusive finance managed by PIIF signatories	✓	Public									✓
IFI 02	Due diligence policies and/or procedures for the selection of external investment managers	✓	Public									✓
IFI 03	Including issues referred to in the PIIF	✓	Public									✓
IFI 04	Monitoring managers' implementation of the PIIF	✓	Public									✓
IFI 05	Managers provide information in line with established industry standards	✓	Public									✓
IFI 06	Disclosure of approach to RI in inclusive finance	✓	Public									✓
IFI 07	Contributing to promotion of RI in inclusive finance	✓	Public									✓
IFI End	Module confirmation page	✓	-									

# Cordaid

## Reported Information

### Public version

### Organisational Overview

## 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.

## 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

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Execution and advisory services

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Netherlands

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

18.5



OO 02.4 Additional information. [Optional]

Our headquarter is in the Netherlands, we have an office in Sierra Leone and Ruanda.

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			92	547	000
Currency	EUR				
Assets in USD			99	044	124

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

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	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	60	40
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

**OO 06.2**

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

**OO 06.3**

Provide contextual information on your AUM asset class split. [Optional]

All our assets are related to inclusive finance. This varies from investment in Financial Service Providers like microfinance institutions, but also entails investments into Small and Medium Enterprises.

**OO 08**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Peering**

**General**

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

**OO 08.1**

Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

Asset class breakdown	Segregated mandate(s)	Pooled fund(s)
[m] Inclusive finance	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50 %
Total externally managed assets	<i>Please ensure the entire table (both columns combined) totals to 100%</i>	

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>

**OO 09.2** Additional information. [Optional]

Cordaid Investments invests in developing, fragile and post-conflict countries.

### Gateway asset class implementation indicators

OO 11	Mandatory	Public	Gateway	General
-------	-----------	--------	---------	---------

**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).

- Inclusive finance
- None of the above

**OO 11.2** Select the externally managed assets classes where you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes (during the reporting year)

- Inclusive finance
- None of the above

<b>OO 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
--------------	------------------	---------------	----------------	----------------

**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 - Other asset classes with dedicated modules

- Inclusive Finance

RI implementation via external managers

- Inclusive Finance

Closing module

- Closing module

Cordaid

Reported Information

Public version

Strategy and Governance

## 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.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

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

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.4

Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)

other (1) description

Universal Standards of Social Performance Management an IFC Guidelines.

- Other, specify (2)
  - Other, specify (3)
  - None of the above
- No

SG 02	Mandatory	Public	Core Assessed	PRI 6
-------	-----------	--------	---------------	-------

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

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
---------	--

- Policy setting out your overall approach
- Formalised guidelines on social factors
- Asset class-specific RI guidelines
- Screening / exclusions policy
- We do not publicly disclose our investment policy documents

SG 03	Mandatory	Public	Core Assessed	General
-------	-----------	--------	---------------	---------

SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
---------	---

- Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
---------	---

Cordaid has a 'conflict of interest policy' which need to be adhered to (and signed by) all employees and board members of Cordaid.

In the main section of the policy it is pointed out that: 'Conflicts of interest can place personal interest at odds with fiduciary "duty of loyalty" owned to the Foundation. The duty of loyalty requires a director, officer, employee or a member of a committee with governing board-delegated powers, to refrain from using his or her position for personal gain, and avoid acting on issues in which his or her personal and financial interests could conflict with the interest of the Foundation'.

In the policy, a variety of potential and actual conflicts of interest are described and a procedure is prescribed for disclosing and resolving conflict of interests.

- No

SG 04	Voluntary	Public	Descriptive	General
-------	-----------	--------	-------------	---------

SG 04.1	Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.
---------	---

- Yes
- No

## Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
-------	-----------	--------	-----------------------	---------

**SG 05.1** Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

SG 06	Voluntary	Public	Descriptive	General
-------	-----------	--------	-------------	---------

**SG 06.1** List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

- Provide training on ESG incorporation
- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation
- Improved engagement to encourage change with regards to management of ESG issues
- Improved ESG incorporation into investment decision making processes

Key performance indicator

ESG incorporation clearly set in format used during investment decision making processes.

Progress achieved

All formats and manual used during investment decision making processes have been updated and all Investment Managers are using the adapted versions.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)



ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Other activities

- Joining and/or participation in RI initiatives
- Encouraging others to join a RI initiative
- Documentation of best practice case studies

Key performance indicator

Public documentation on best practice of Cordaid Investments.

Progress achieved

Cordaid Investments was interviewed by GIIN regarding their investments related to SDGs and how to monitor on the SDGs.

- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

**Governance and human resources**

SG 07	Mandatory	Public	Core Assessed	General
SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.			

Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

**SG 07.3**

Indicate the number of dedicated responsible investment staff your organisation has.

Number

10

<b>SG 08</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>General</b>
--------------	------------------	---------------	----------------------------	----------------

**SG 08.1**

Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

**Board members/Board of trustees**

- Responsible investment included in personal development and/or training plan
- None of the above

**Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Portfolio managers**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Dedicated responsible investment staff**

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

**Promoting responsible investment**

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
-------	-----------	--------	---------------	---------

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

<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
----------------	---

**Select all that apply**

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced
- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Gave input to several researches of GIIN.

- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

Social Performance Task Force (SPTF)

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Participated in working groups and helped to prepare presentations during Social Investors Working Group Meetings.

- Other collaborative organisation/initiative, specify

NPM Platform for Inclusive Finance

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

As active member we participated in several knowledge meetings and forums. Together with NPM we organised a working shop about Access to Finance for Refugees.

Other collaborative organisation/initiative, specify

SG 10	Mandatory	Public	Core Assessed	PRI 4
-------	-----------	--------	---------------	-------

SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
---------	--

Yes

SG 10.2	Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.
---------	--

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

	specify description
--	---------------------

Promoting responsible investments is integrated in various processes such as due diligence and monitoring visits and is also an important objective when taking board functions.

No

SG 11	Voluntary	Public	Additional Assessed	PRI 4,5,6
-------	-----------	--------	---------------------	-----------

SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.
---------	---

Yes

- Yes, individually
- Yes, in collaboration with others

**SG 11.2**

Select the methods you have used.

- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

**SG 11.3**

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available
- No
- No

**SG 11.4**

Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

Together with Netherlands Platform of inclusive finance and various Dutch investors we have discussed with the Netherlands government the importance of Access to Finance for Refugees.

### Implementation not in other modules

**SG 12****Mandatory****Public****Descriptive****PRI 1**

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

**SG 12.1**

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

<b>SG 12.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
----------------	---

- We do the following
  - Allocation between asset classes
  - Determining fixed income duration
  - Allocation of assets between geographic markets
  - Sector weightings
  - Other, specify
    - In all our asset allocation ESG is taken into account.
- We do not consider ESG issues in strategic asset allocation

<b>SG 13</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
--------------	--	---------------	----------------------------	--------------

<b>SG 13.1</b>	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.
----------------	--

- Changing demographics
- Climate change
- Resource scarcity
- Technology developments
- Other, specify(1)

	other description (1)
--	-----------------------

fragility of countries

- Other, specify(2)
- None of the above

<b>SG 13.5</b>	Additional information [Optional]
----------------	-----------------------------------

Cordaid Investments improves access to finance in fragile countries.

<b>SG 14</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
--------------	--	---------------	--------------------	--------------

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

<b>SG 14.1</b>	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
----------------	---

- Yes

<b>SG 14.2</b>	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
----------------	--



Area
------

- Clean technology (including renewable energy)
- Green buildings
- Sustainable forestry
- Sustainable agriculture

Asset class invested
----------------------

- Inclusive finance

% of AUM
----------

15

Brief description and measures of investment
--

Cordaid Investments' RURAF Fund is dedicated to investments in rural and agricultural finance. RURAF's investees are mainly microfinance institutions serving farmers and rural micro-entrepreneurs, who are often underserved and/or do not have access to appropriate and affordable financial products and services that cater their needs and risks. RURAF generally but not exclusively invests in financial services for sustainable agriculture. Grants are provided for capacity building and the development of innovative financial products, services and methods.

- Microfinance

Asset class invested
----------------------

- Inclusive finance

% of AUM
----------

80

Brief description and measures of investment
--

Cordaid Investments has nearly 20 years of experience of supporting and investing in microfinance, both through grant-making (to support capacity building, product development and customer services) and through investments in microfinance institutions (MFIs). Initially we primarily invested in start-up MFIs or MFI start-up funds, but gradually we have expanded to include more mature organizations especially those that are serving rural clients and that reach out to underserved rural areas. In fragile and post-conflict countries Cordaid supports less mature MFIs based in urban areas.

- SME financing

Asset class invested
----------------------

- Inclusive finance

% of AUM
----------

18

Brief description and measures of investment

In 2014 Cordaid established the Stability Impact Fund (SIF). This impact-first fund serves all segments of micro, small and medium-sized enterprises (MSMEs) in fragile contexts. SIF aims to stimulate entrepreneurship and create jobs in fragile contexts as a means to achieve economic development and stability. SIF provides its investees with loans and patient capital. It is linked to Cordaid's grant-funded Business Development Services (BDS) to make MSMEs investment ready, and better equipped to achieve their social and business goals.

- Social enterprise / community investing
- Affordable housing
- Education
- Global health

Asset class invested

- Inclusive finance

% of AUM

1

Brief description and measures of investment

The Health Fund was created to improve the quality and quantity of health services in sub-Saharan Africa by providing health institutions with much-needed access to finance. After a pilot in 2014 and 2015 with health clinics in Rwanda and Burundi, the roll-out started in 2016 in Rwanda.

- Water
- Other area, specify
- No

SG 15	Mandatory	Public	Descriptive	General
-------	-----------	--------	-------------	---------

SG 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
---------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Inclusive finance	<p>Cordaid Investments screens all their potential investees on ESG.</p> <p>During investment decision making process we screen ESG factor on Financial Service Providers (FSPs) by monitoring alignment on the Universal Standards of Social Performance Management. We pay special attention to the Client Protections Principles. The FSBs need to have a minimum score, otherwise we will be able to invest in them.</p> <p>Most FSBs have a minimum ESG risk score. There is only one FSB with a medium ESG risk. Actions are being taken to improve the ESG of this FSB.</p> <p>During Investment decision making process we screen ESG risk of the SMEs. When SME has a high ESG risk, Cordaid Investments will not invest in these SMEs.</p> <p>If ESG risk is medium, we will try to prepare Action Plans to improve ESG of the SMEs.</p>

## Innovation

SG 17	Voluntary	Public	Descriptive	General
-------	-----------	--------	-------------	---------

SG 17.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
---------	--

Yes

SG 17.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
---------	---

Cordaid Investment Management, the asset management branch of development organization Cordaid, believes that impact investing is the next stage in development aid. In a unique approach, Cordaid Investments complements grants-based development aid with investments. The results of this approach are threefold. First, it maximizes the social impact, as investments leverage the available budgets and catalyze the effect of grants by further strengthening institutions. Second, it mitigates investment risks by combining investments with grants for capacity building. Cordaid's solid partnerships, firm on-the-ground presence, and deep understanding of the local complexities further reduce these risks. Last, investments rebalance the relationship between investee and investor, as beneficiaries turn into customers with demands and responsibilities. This adds to their level of independence and professionalism, enhancing the chances of attracting other (commercial) funders.

Example:

The Health Fund was created to improve the quality and quantity of health services in sub-Saharan Africa by providing health institutions with much-needed access to finance. After a pilot in 2014 and 2015 with health clinics in Burundi and Rwanda, the roll-out started in 2016 in Rwanda. The Health Fund specifically targets health institutions participating in Cordaid's Results Based Finance system. Healthcare providers receive their grant-based payments only after their outputs have been verified. However, the financial capacity of these health centers remains limited. Loans provided by the Health Fund enable recipients to access larger amounts of funding to further improve their services. Loans are typically used to purchase medical equipment or supplies, renovate or build facilities, and improve medical services.

No

Cordaid

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
--------	-----------	--------	-------------	--------------

IFD 01.1	Indicate if you have a distinct mission and investment objective for your investment in inclusive finance.
----------	--

Yes

IFD 01.2	Describe your inclusive finance mission and investment objective.
----------	---

### Fostering inclusive financial systems

To build flourishing communities, a healthy and inclusive financial sector is essential. Most developing countries lack access to inclusive financial services, however. Cordaid Investments fills this gap by investing in microfinance institutions and funds that offer inclusive finance to people, businesses and public service providers that have limited alternatives. Development is fostered by financially educating investees and sharing knowledge and best practices.

No

IFD 01.3	Additional information.
----------	-------------------------

### Guiding Principles

Cordaid Investments is based on the following guiding principles which apply to all investments managed by Cordaid.

#### *Principles for Responsible Finance*

Cordaid investment funds must comply with the Principles for Responsible Investment (PRI) as defined by the UN PRI as well as the Principles for Investors in Inclusive Finance (PIIF).

#### *Client Protection Principles*

Investees must adopt, endorse and comply with the generally accepted client protection principles. The Client Protection Principles are the minimum standards that clients should expect to receive when doing business with a microfinance institution.

#### *Investees (direct)*

Cordaid investment funds invests in Microfinance Institutions (MFIs). A microfinance institution (MFI) is an organization that provides financial services to the poor and low income people. This broad definition includes a wide range of providers that vary in their legal structure, mission and methodology. However, all share the common characteristic of providing financial services to clients who are poorer and more vulnerable than traditional bank clients.

#### *Reporting*

MFIs investees must report on the Financial Performance, Social Performance and Development Impact of their activities by applying the standards and tools developed by Social Performance Task Force and Mix Market.

#### *Balanced Returns*

Cordaid investments seek an optimal social impact and an acceptable financial return.

IFD 02	Voluntary	Public	Descriptive	PIIF General
--------	-----------	--------	-------------	--------------

<b>IFD 02.1</b>	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.
-----------------	--

When Cordaid Investments receives an investment plan from an MFI, a SME or a Fund, it goes through the phases of the investment process. ESG is incorporated in each phase. During every phase investment-related decisions are taken on financial and ESG criteria.

Cordaid Investments assisted SPTF with the developed of a scorecard, SPI4, that measures alignment with the Universal Standards of Social Performance. With a group of investors we developed from this tool a due diligence tool, ALINUS. In 2016 we have started using ALINUS during our due diligence and monitoring of all microfinance investments.

We have trained our staff (all Investment Managers) in social performance management and the knowledge on SPM is updated regularly.

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

<b>IFD 03</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PIIF General</b>
---------------	------------------	---------------	--------------------	---------------------

<b>IFD 03.1</b>	Indicate if you set social targets for your organisation, specific to inclusive finance.
-----------------	--

- Yes
- No

<b>IFD 03.2</b>	Additional information.
-----------------	-------------------------

Our overall target is to support financial institutions that provide services to (very) poor and low income clients in developing countries in Asia, Latin America and Sub-Saharan Africa. At least 25% of investments should in Sub-Saharan Africa. Moreover, since three years we are also targeting financial access in fragile countries and regions, especially in African countries (like South Sudan, DRC Congo and Sierra Leone).

For all investees the ESG scorecard has to be filled in. The minimum score is set at 50 out of 100.

For our Rural Agricultural Fund we have set targets for rural outreach, with a minimum of 50% (measured by number of branches in rural areas)

<b>IFD 04</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Gateway</b>	<b>PIIF General</b>
---------------	--	---------------	----------------	---------------------

<b>IFD 04.1</b>	Of your total assets invested directly in inclusive finance, indicate what percentage is invested in the following:
-----------------	---

Equity	<input type="radio"/> 0% <input checked="" type="radio"/> <20% <input type="radio"/> 20-40% <input type="radio"/> 41-60% <input type="radio"/> 61-80% <input type="radio"/> >80%
Debt	<input type="radio"/> 0% <input type="radio"/> <20% <input type="radio"/> 20-40% <input type="radio"/> 41-60% <input type="radio"/> 61-80% <input checked="" type="radio"/> >80% <div style="background-color: #0070C0; color: white; padding: 2px;">Of which, subordinated debt</div> <input type="checkbox"/> 0% <input checked="" type="checkbox"/> <20% <input type="checkbox"/> 20-40% <input type="checkbox"/> 41-60% <input type="checkbox"/> 61-80% <input type="checkbox"/> >80%
Guarantees	<input type="radio"/> 0% <input checked="" type="radio"/> <20% <input type="radio"/> 20-40% <input type="radio"/> 41-60% <input type="radio"/> 61-80% <input type="radio"/> >80%
	<input checked="" type="radio"/> 0% <input type="radio"/> <20% <input type="radio"/> 20-40% <input type="radio"/> 41-60% <input type="radio"/> 61-80% <input type="radio"/> >80%
<b>Total</b>	<b>100%</b>

<b>IFD 05</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Gateway</b>	<b>PIIF General</b>
---------------	--	---------------	----------------	---------------------

<b>IFD 05.1</b>	Of your total assets invested directly in inclusive finance, indicate what percentage is invested in the following:
-----------------	---

<b>Microfinance</b>	<input type="checkbox"/> 0% <input type="checkbox"/> <20% <input type="checkbox"/> 20-40% <input type="checkbox"/> 41-60% <input type="checkbox"/> 61-80% <input checked="" type="checkbox"/> >80%
<div style="background-color: #0070C0; color: white; padding: 2px;">SME finance (provide your definition of SME)</div> <p>Cordaid uses no standard definition for SME's. We look at wide range from micro to medium based on assets and no. of employees</p>	<input type="checkbox"/> 0% <input checked="" type="checkbox"/> <20% <input type="checkbox"/> 20-40% <input type="checkbox"/> 41-60% <input type="checkbox"/> 61-80% <input type="checkbox"/> >80%
	<input checked="" type="checkbox"/> 0% <input type="checkbox"/> <20% <input type="checkbox"/> 20-40% <input type="checkbox"/> 41-60% <input type="checkbox"/> 61-80% <input type="checkbox"/> >80%
<b>Total</b>	<b>100%</b>

<b>IFD 06</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PIIF General</b>
---------------	--	---------------	--------------------	---------------------

<b>IFD 06.1</b>	Indicate if you track the geographical spread of your total assets invested directly in microfinance.
-----------------	---

Yes

<b>IFD 06.2</b>	Of your total assets invested directly in microfinance, indicate the geographic spread as a percentage of your portfolio.
-----------------	---

- Western Europe
- Eastern Europe & Central Asia
- North America
- Latin America (includes Central and South America) & Caribbean



% of portfolio	Indicate the average loan size (in US\$) of your investees to active borrowers in this region.
<input type="checkbox"/> <20% <input type="checkbox"/> 20-40% <input checked="" type="checkbox"/> 41-60% <input type="checkbox"/> 61-80% <input type="checkbox"/> >80%	1150 <input type="checkbox"/> We do not track this information

East Asia & Pacific

% of portfolio	Indicate the average loan size (in US\$) of your investees to active borrowers in this region.
<input checked="" type="checkbox"/> <20% <input type="checkbox"/> 20-40% <input type="checkbox"/> 41-60% <input type="checkbox"/> 61-80% <input type="checkbox"/> >80%	140 <input type="checkbox"/> We do not track this information

South Asia

% of portfolio	Indicate the average loan size (in US\$) of your investees to active borrowers in this region.
<input checked="" type="checkbox"/> <20% <input type="checkbox"/> 20-40% <input type="checkbox"/> 41-60% <input type="checkbox"/> 61-80% <input type="checkbox"/> >80%	160 <input type="checkbox"/> We do not track this information

Middle East & North Africa

Sub-Saharan Africa

% of portfolio	Indicate the average loan size (in US\$) of your investees to active borrowers in this region.
<input type="checkbox"/> <20% <input checked="" type="checkbox"/> 20-40% <input type="checkbox"/> 41-60% <input type="checkbox"/> 61-80% <input type="checkbox"/> >80%	130 <input type="checkbox"/> We do not track this information

No

IFD 06.3

Additional information. [Optional]

Average loan size is tracked per investee. At moment data cannot be aggregated per region. Above mentioned average loan size are therefore estimated.

## PIIF Principle 1: Range of services

IFD 07

Mandatory

Public

Core Assessed

PIIF 1

### **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

If you aggregate this information at an organisational level, indicate the percentage of your portfolio in loans for immediate household needs. [Optional]:

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

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 07.4** Additional information. [Optional]

Per MFI we have data about division of their portfolio (agricultural, housing, microenterprise, consumer. At the moment we are not able to aggregate this information. We will collect these data on portfolio level in our new MIS.

**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.

Cordaid Investments provides equity or (sub)debt so that MFI's can comply with the Central Bank regulations to receive license for voluntary savings.

In our social scorecard we assess if MFI's provide voluntary savings. As yet, we are not yet able to keep track of aggregated data on Cordaid portfolio level.

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.

Cordaid provided funding for technical assistance to several MFI's so that they were able to develop micro-insurance products.

In our social scorecard we assess if MFI's provide other financial services (like insurance), but we are not yet able to keep track of aggregated data on Cordaid portfolio level.

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

Agricultural product development and loans

Provide examples of how and what you support.

Cordaid provided funding for technical assistance to MFIs. With this assistance MFIs developed and rolled out agricultural credit products. MFIs also exchanged knowledge on best practices of agricultural credit products

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

Yes

If you aggregate this information at an organisational level, indicate the percentage of microfinance providers in the MIV or organisational direct portfolio offering such products.

<20%

20-40%

41-60%

61-80%

>80%

No

Non-financial services, specify

product development, financial literacy.

Provide examples of how and what you support.

Cordaid has supported MFI's (especially in South Asia) to establish self-help groups and train these groups so that group members get access to financial services such as credit, but also savings and insurance products.

In some cases we provide support for the promotion of financial literacy and enable MFIs to train their clients, especially in fragile countries and regions.

In our social scorecard we assess if MFI's provide or facilitate non-financial services (financial literacy or others), but we do not keep track of aggregated data on Cordaid portfolio level. This will be part of our new MIS-system.

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

Yes

No

No

**IFD 08.3**

Additional information. [Optional]

We track information on voluntary savings products, other financial services, non-financial services per MFI. We can manually aggregate the information. With our new MIS system we will be able to gather such data on our portfolio more easily.

**IFD 09**

**Voluntary**

**Public**

**Additional Assessed**

**PIIF 1**

**Possible action:**

*Encourage providers to introduce innovative products tailored to needs of low-income clients.*

*Encourage providers to expand their service offering to more remote areas and more vulnerable populations.*

**IFD 09.1**

Indicate if you support the introduction of services tailored to the following client groups.

Client groups	Yes/No
The very poor	<p><input checked="" type="radio"/> Yes</p> <p>Describe how you support the introduction of such services.</p> <p>We support the introduction of services to the very poor. We also encourage MFIs to assess their contribution to poverty alleviation by measuring at client level and using Progress out of Poverty Index (PPI) or similar tools. We have provided a grant to the Grameen Foundation to introduce PPI to MFIs in Africa.</p> <p>Indicate what percentage of assets you know to be supporting these clients.</p> <p><input type="checkbox"/> 0%</p> <p><input type="checkbox"/> &lt;20%</p> <p><input type="checkbox"/> 20-40%</p> <p><input type="checkbox"/> 41-60%</p> <p><input type="checkbox"/> 61-80%</p> <p><input type="checkbox"/> &gt;80%</p> <p><input type="radio"/> We track at the investee level but do not aggregate this information</p> <p><input checked="" type="radio"/> We do not track at the investee level</p> <p><input type="radio"/> No</p>
The poor	<p><input checked="" type="radio"/> Yes</p> <p>Describe how you support the introduction of such services.</p> <p>We support the introduction of services to the very poor. We also encourage MFIs to assess their contribution to poverty alleviation by measuring at client level and using Progress out of Poverty Index (PPI) or similar tools. We have provided a grant to the Grameen Foundation to introduce PPI to MFIs in Africa.</p> <p>Indicate what percentage of assets you know to be supporting these clients.</p> <p><input type="checkbox"/> 0%</p> <p><input type="checkbox"/> &lt;20%</p> <p><input type="checkbox"/> 20-40%</p> <p><input type="checkbox"/> 41-60%</p> <p><input type="checkbox"/> 61-80%</p> <p><input type="checkbox"/> &gt;80%</p> <p><input type="radio"/> We track at the investee level but do not aggregate this information</p> <p><input checked="" type="radio"/> We do not track at the investee level</p> <p><input type="radio"/> No</p>
Low	<p><input checked="" type="radio"/> Yes</p>

income clients	Describe how you support the introduction of such services.
	<p>We support the introduction of services to the very poor. We also encourage MFIs to assess their contribution to poverty alleviation by measuring at client level and using Progress out of Poverty Index (PPI) or similar tools. We have provided a grant to the Grameen Foundation to introduce PPI to MFIs in Africa.</p>
	Indicate what percentage of assets you know to be supporting these clients.
	<input type="checkbox"/> 0% <input type="checkbox"/> <20% <input type="checkbox"/> 20-40% <input type="checkbox"/> 41-60% <input type="checkbox"/> 61-80% <input type="checkbox"/> >80% <input type="radio"/> We track at the investee level but do not aggregate this information <input checked="" type="radio"/> We do not track at the investee level <input type="radio"/> No
	<input type="radio"/> Yes <input checked="" type="radio"/> No

<b>IFD 09.2</b>	Indicate if you collect data regarding the percentage or number of total active clients that are:
-----------------	---

	Rural
--	-------

Yes

	Indicate what percentage of your direct portfolio this represents
--	---

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

No

	Urban
--	-------

Yes

Indicate what percentage of your direct portfolio this represents

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

Female

- Yes

Indicate what percentage of your direct portfolio this represents

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

**IFD 09.3** Additional information.

The MFIs that Cordaid supported in 2015 reached in total 2,2M clients. 53.000 of these clients were able to get a loan from the MFIs through Cordaids funding to these MFIs. 67% of the clients were rural while 66% were female.

<b>IFD 10</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>PIIF 1</b>
---------------	------------------	---------------	--------------------	---------------

**Possible action:**

*Supporting retail providers.*

**IFD 10.1** Indicate if you provide technical assistance to your investees.

- Yes
- No

**IFD 10.2** Additional information.

Cordaid has a grant policy that makes it possible to provide TA to its investees. When providing TA, in most cases specialized technical service providers are contracted. We collaborate with organizations like Microsave (in India and Africa), with Ayani (in Africa). Sometimes we provided TA directly ourselves.

The TA that is supported contains a wide range of areas that can enhance the financial and/or social performance of an MFI. Typical areas for TA support are strengthening the management and board, risk-management and MIS. Cordaid has a special focus to provide TA for agricultural product development and SPM. In 2016 training was given to staff of MFIs in South Sudan and Honduras on provision of loans to farmers. In Guatemala we cofinanced a study on overindebtendens. An MFI in Nicaragua received TA on tracking clients data on mobile devices. In Myanmar we organised a workshop for the MFI sector in Myanmar on social performance. In Tanzania we financed business



development training to SMEs in Tanzania. In Ecuador we provided relief assistance for end-clients of an MFI that were affected by the earthquake.

## PIIF Principle 2: Client protection

IFD 11	Mandatory	Public	Core Assessed	PIIF 2
--------	-----------	--------	---------------	--------

### **Possible action:**

*Publicly endorse the Client Protection Principles (CPP).*

IFD 11.1	Indicate if you have publicly endorsed the Client Protection Principles.
----------	--

- Yes
- No

IFD 11.2	Additional information. [Optional]
----------	------------------------------------

We have publically endorsed the Client Protection Principles and we report on our actions in relation to CPP/client protection measures to our investors.

IFD 12	Voluntary	Public	Additional Assessed	PIIF 2
--------	-----------	--------	---------------------	--------

IFD 12.1	Indicate if you provide training or assistance for your investees in implementing the Client Protection Principles and/or other client protection measures.
----------	---

- Yes
- No

IFD 12.2	Additional information.
----------	-------------------------

Indirectly we provide training to investees regarding CPP. In several countries we have supported country networking organisations or NGO's that provide training on CPP and SPM. Occasionally Cordaid Investments also provides financial support for conducting social ratings of investees.

In 2016 we organised a workshop for MFIs in Myanmar on social performance and CPP.

On global level we have supported initiatives that promote best practices in CPP such as MF Transparency with fair and transparent pricing.

During our due diligence our Investment Managers pay special attention to CPP.

IFD 13	Mandatory	Public	Core Assessed	PIIF 2
--------	-----------	--------	---------------	--------

IFD 13.1	Indicate if you include the Client Protection Principles and/or other client protection measures in your investment policies.
----------	---

- Yes

**IFD 13.2** Indicate if this is systematically applied.

During due diligence

- Yes
- No

In covenants in loan agreements and/or in financing or shareholder agreements

- 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**

<b>IFD 14</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PIIF 3</b>
---------------	------------------	---------------	----------------------	---------------

**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 14.3** Additional information. [Optional]

In 2016 total direct investment in local currency debt was 62%.

<b>IFD 15</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PIIF 3</b>
---------------	------------------	---------------	--------------------	---------------

**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

Indicate percentage

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

**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 15.3**

Additional information. [Optional]

For direct lending to investees the minimum amount is EUR 250K and the maximum is EUR 2 million or about USD 2.7 million.

Almost 60% of our direct portfolio in debt has a maturity between 25 - 60 months.

**IFD 17**

**Mandatory**

**Public**

**Core Assessed**

**PIIF 3**

**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.

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

- Yes
- No

Ensure that the investee understands the terms, covenants and their implications prior to signing loan / shareholder documentation.

Describe your process.

This is explained to investees when we meet or in writing. What is more, all investees receive a draft term sheet prior to the agreement.

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.

Same as above. Covenant breaches are explained and are part of the draft term sheet.

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)
- 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

Describe the approaches used and frequency of use.

During our due diligence at an MFI we use a tool to measure alignment with the Universal Standards of Social Performance Management. We used to work with a specific tool for Cordaid. This tool was a selection of questions used in the SPI4 (A tool developed by Cerise and SPTF to measure alignment with USSPM). In 2015 and 2016 Cordaid Investments and other investors decided to use the same tool (based on SPI4) that investors can use during their due diligence. This tool, ALINUS, was finalised in 2016. Cordaid Investments has started using this tool. Investment managers give additional comments on over-indebtedness and balanced return on this scorecard. The scorecard is part of our investment analysis.

Every two years the ALINUS tool needs to be updated. The tool therefore works as a monitoring tool as well.

### **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.

See above

#### 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
--------	-----------	--------	-------------	--------

**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**

**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]

We look at the experience of the board in banking sector and developing/social sector. We also look at gender composition in a board.

**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 21	Voluntary	Public	Descriptive	PIIF 4
--------	-----------	--------	-------------	--------

**Possible action:**

Assist in developing appropriate references for corporate governance issues.

IFD 21.1 Indicate if you provide training or assistance for your investees on corporate governance.

- Yes
- No

IFD 21.2 Additional information.

We provide this kind of training occasionally, when the need is felt. Less than 10% of our investees receive training or assistance on governance annually.

IFD 23	Mandatory	Public	Descriptive	PIIF 4
--------	-----------	--------	-------------	--------

**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 issues are one of the focus issues that are screened in ALINUS tool. We look if the financial institution evaluates the level of environmental risk of its clients, the institution raises clients' awareness on environmental risks and if the institution provides specific green loan products.

**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 issues are reviewed post-investment when updating the ALINUS Tool (once every 2 years).

- 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]

Since the amount the MFIs give to their clients are so small, we do not request the MFIs to comply with our environmental exclusion list. This is only requested if the ESG scorecard shows that organisation has no environmental exclusion policy and it is relevant for the purpose of the financial products that they offer to their clients. Our SME investees must comply with our exclusion list.

**IFD 24**

Voluntary

Public

Additional Assessed

PIIF 4

**Possible action:**

*Promote implementation of anti-corruption practices.*

**IFD 24.1** | Indicate if you have anti-corruption policies.

- Yes, published
- Yes, but not published
- No

**IFD 24.2** | Indicate if you have internal whistle-blowing policies.

- Yes, published
- Yes, but not published
- No

**IFD 24.3** | Indicate if you review whether your investees have anti-corruption policies as part of your due diligence process.

- Yes
- No

**IFD 24.4** | Indicate if you review whether your investees have internal whistle-blowing policies as part of your due diligence process.

- Yes
- No

## PIIF Principle 5: Transparency

<b>IFD 25</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PIIF 5</b>
---------------	------------------	---------------	----------------------------	---------------

**Possible action:**

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

**IFD 25.1** | Indicate how your mission and investment objectives communicated to stakeholders (e.g. investees, investors).

- Publicly

Provide a URL

<https://www.cordaid.org/en/topics/investments/>

- Selected stakeholders only
- On request only

IFD 25.2	Additional information.
----------	-------------------------

We have prepared a new Investment manual and we have also updated our our mission and investment objectives. This information is not yet published on our website.

IFD 26	Mandatory	Public	Core Assessed	PIIF 5
--------	-----------	--------	---------------	--------

**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.
----------	---

Yes

IFD 26.2	Do you provide information aligned with:
----------	--

- The MIV Disclosure Guidelines
  - The Impact Reporting & Investment Standards (IRIS)
    - Yes, to our investors only
    - Yes, to the public
  - Other, specify
- No

IFD 26.3	Additional information. [Optional]
----------	------------------------------------

We are currently still in the process of upgrading our MIS. As part of this upgrade we will include reporting indicators from IRIS.

IFD 27	Mandatory	Public	Core Assessed	PIIF 5
--------	-----------	--------	---------------	--------

**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.
----------	--

	Pricing
--	---------

Yes

IFD 27.2

Indicate how you ensure this for pricing and provide examples.

During due diligence process we assess the (main) products and prices that are offered by the investee to its clients, we calculate the APR of the main product and compare this with industry and national standards. We discuss with the investee how they disclose this information to their clients and if they do this in a transparent way.

This is also one of the elements assessed ALINUS. If the score is too low this is a reason for not investing.

No

Other terms and conditions

Yes

No

### PIIF Principle 6: Balanced returns

IFD 28

Mandatory

Public

Core Assessed

PIIF 6

**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.

As our primary aim is to invest in financial institutions that strive to achieve social impact, it is important for us that all investees have a clear social mission, that this mission is put into practice, and that the investee pays attention to social performance management. Several SPM areas are reviewed by us, and the information is recorded in our ESG Scorecard. An organisation has to score a minimum of 50 points (out of 100) to be eligible for an investment. If certain standards are not sufficiently in place, we can agree with the investee a trajectory for improvement. We may provide additional support and/or decide to formulate the desired outcome in a social covenant that will be part of the investment agreement.

No

Portfolio management

Yes

**IFD 28.3**

Explain how social performance of investees affects portfolio management.

We monitor social performance of our portfolio in several ways, for example by checking ALINUS score, outreach in rural areas (average should be over 50%), the offering of agricultural products (target is 30%), gender composition and poverty level of the clients.

We are currently working on a new MIS that will strictly follow the social performance of all investees on an annual basis.

No

<b>IFD 29</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PIIF 6</b>
---------------	------------------	---------------	----------------------------	---------------

**Possible action:**

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

<b>IFD 29.1</b>	Indicate if your staff have monetary incentives or performance objectives related to responsible investment in inclusive finance.
-----------------	---

Yes

No

<b>IFD 29.2</b>	Additional information.
-----------------	-------------------------

Staff has no monetary incentives based on financial and/or social targets.

<b>IFD 30</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PIIF 6</b>
---------------	------------------	---------------	----------------------------	---------------

**Possible action:**

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

<b>IFD 30.1</b>	Indicate if you collect data regarding the social outcomes of your investees' work.
-----------------	---

Yes

No

<b>IFD 30.2</b>	Additional information.
-----------------	-------------------------

Social outcome is part of the current MIS, but it will be extended with the introduction of a new MIS. Some of the indicators for social outcome that we use are: poverty targeting and measurement, products/services offered and effective interest rate, rural and agricultural outreach, female outreach, HR policies and staff benefits.

<b>IFD 31</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PIIF 6</b>
---------------	------------------	---------------	----------------------------	---------------

**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 31.1** | Indicate if you incentivise investees to track social performance.

- Yes
- No

**IFD 31.3** | Additional information.

Currently we do not give financial incentives to investees to improve and track their social performance. However, in several cases we have supported investees to improve their SPM and track social impact (e.g. developing PPI tools).

Social Performance is definitely one of the items that is always discussed with the investee and it is assessed in our ALINUS-scorecard. If the score is too low, Cordaid will not invest.

**PIIF Principle 7: Standards**

<b>IFD 32</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PIIF 7</b>
---------------	------------------	---------------	----------------------	---------------

**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
- No

European Microfinance Platform (eMFP)

- Yes
  - Basic
  - Moderate
  - Advanced
- 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

NPM Platform on Inclusive Finance and MF Transparency

- Yes
  - Basic
  - Moderate
  - Advanced
- No

IFD 33	Voluntary	Public	Additional Assessed	PIIF 7
--------	-----------	--------	---------------------	--------

**Possible action:**

*Participate in networks to share tools, information and resources.*

IFD 33.1 Indicate if you encourage your investees to be a member of/endorse the following:

Social Performance Task Force

- Yes
- No

The Smart Campaign

- Yes

Describe how you have supported them in implementation (direct or via a third party) during the reporting year.

Part of the pre-investment process when it appears that investee has not yet endorsed the Smart Campaign. Endorsing CPP is an investment requirement

Indicate what percentage of investees, as a percentage of your direct inclusive finance portfolio, is a member of/has endorsed this.

- <20%
  - 20-40%
  - 41-60%
  - 61-80%
  - >80%
  - We do not track this information
- No

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

National MFI network organisation / association.

- Yes

Describe how you have supported them in implementation (direct or via a third party) during the reporting year.

We encourage MFIs to join network organizations that play an active role in SPM and promotion of inclusive finance. We also support such networks.

Indicate what percentage of investees, as a percentage of your direct inclusive finance portfolio, is a member of/has endorsed this.

- <20%
  - 20-40%
  - 41-60%
  - 61-80%
  - >80%
  - We do not track this information
- No



IFD 34	Voluntary	Public	Additional Assessed	PIIF 7
--------	-----------	--------	---------------------	--------

**Possible action:**

*Contribute to advancing benchmarking, as an incentive for improvement.*

IFD 34.1	Indicate if you encourage your investees to participate in initiatives which contribute to the development of industry benchmarks.
----------	--

MIX Market
------------

Yes

Describe which actions you have taken and confirm if you encourage reporting against the MIX Social Performance Indicators.
---

As part of our policy we ask all MFI's in which we invest to report financial as well as social indicators to the MIX Market. It is compulsory for all investees since 2013.

No

MFTransparency
----------------

Yes

No

Universal Standards for Social Performance Management
---

Yes

Describe what actions you have taken.
---------------------------------------

As member of SPTF we have been involved in the development of new USSPM standards. Standards have been introduced within Cordaid Investments and will be fully integrated in our new MIS that is currently being developed. We discuss USSPM with investees and encourage them to adopt them in their own SPM. Since our Social Performance Tool (ALINUS) is part of the SPI4 it has become easier for us to promote the USSPM amongst them. By filling in tool tool and sharing this with the MFI, the MFI will already have 25-30% of SPI4 filled in. Hopefully this will encourage them to complete the SPI4 and select dimensions on which they want to improve.

No

Other, specify
----------------

Yes

No

Cordaid

Reported Information

Public version

Indirect - 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

IFI 01	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
--------	---	--------	-------------	---------

**IFI 01.1** Indicate approximately what percentage (+/-10%) of your externally managed assets in inclusive finance are managed by PIIF signatories.

- All
- Some

% of your total externally managed assets in inclusive finance

40

**IFI 01.2** Additional information. [Optional]

The externally managed assets of Cordaid are mostly managed by local fund managers that are based in developing countries. They are often relatively small investments funds that are not familiar with PIIF.

## Selection

IFI 02	Mandatory	Public	Core Assessed	General
--------	-----------	--------	---------------	---------

**IFI 02.1** Indicate if you have due diligence policies and/or procedures in place for the selection of external investment managers in inclusive finance that take their approach to the following responsible investment issues (PIIF Principles) into account:

Actively supporting retail providers to innovate and expand the range of financial services available to low income people (Principle 1)

- Yes
- No

Integration of client protection in investment policies and practices. (Principle 2)

- Yes
- No

Treating investees fairly with appropriate financing that meets demand, clear and balanced contracts, and fair processes for resolving disputes. (Principle 3)

- Yes
- No

The inclusion of environmental, social and corporate governance (ESG) issues in investment policies and reporting. (Principle 4)

- Yes
- No

Active promotion of transparency in all aspects. (Principle 5)

- Yes
- No

Striving for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors. (Principle 6)

- Yes
- No

Collaborating to set harmonised investor standards that support the further development of inclusive finance. (Principle 7)

- Yes
- No

**Contractual agreements and mandate design**

IFI 03	Mandatory	Public	Core Assessed	General
--------	-----------	--------	---------------	---------

**IFI 03.1** When agreeing contracts and designing mandates with investment managers, in the process, indicate if you consider including the following issues referred to in the PIIF:

Actively supporting retail providers to innovate and expand the range of financial services to low-income people (Principle 1)

- Yes

Describe and indicate how.

In most of the contracts with indirect investees it is clearly stated what kind of MFIs and what kind of services these MFIs should provide to their clients. Besides, in 50% of our indirect investees Cordaid Investments has a board seat. Board members representing Cordaid Investments address these issues.

- No

Integration of client protection in investment policies and practices (Principle 2)

- Yes

Describe and indicate how.

In our updated manual it is indicated that future Fund Managers are obliged to integrate CPP in investment policies and practices.

In 50% of our indirect investees Cordaid has a seat on the board of the organization. During board meetings Cordaid addresses the issue of CPP. In countries where there has been a crisis in the financial inclusion sector, like in India, it has become easier to address this issue in boards of indirect investees and discuss it with the management of direct investees. As a consequence the CPP have therefore received more attention in the Cordaid due diligence process of the investment managers. Some of the investment funds have developed their own ESG scorecard and report this to Cordaid. Social Performance criteria, including client protection, are in the process to be set and on which all investment managers of externally managed funds need to report.

No

Treating investees fairly with appropriate financing needs that meets demand, clear and balanced contracts and fair processes for resolving disputes (Principle 3)

Yes

Describe and indicate how.

We do not explicitly refer to fair treatment in our contracts with externally managed investment funds, but during meetings this issue is addressed.

In 50% of our indirect investees Cordaid has a seat on the board of the organization. During board meetings Cordaid addresses this issue of appropriate financing. In countries where there has been a crisis in the financial inclusion sector, like in India, it has become easier to address this issue in boards of indirect investees and discuss it with the management of direct investees. As a consequence this issue has therefore received more attention in the due diligence process of the investment managers. Some of the investment funds have developed their own ESG scorecard and report on this to Cordaid. Social Performance criteria, including fair treatment, are in the process to be set and to which all investment managers of externally managed funds need to report.

No

The inclusion of ESG issues in investment policies and reporting (Principle 4)

Yes

Describe and indicate how.

ESG issues are part of some of our contracts with externally managed investment funds. Besides, in 50% of our indirect investees Cordaid has a board seat. During board meetings Cordaid addresses ESG issues.

Some of the investment funds in MFIs have developed their own ESG scorecard and report on this to Cordaid. Some of the investment funds in SMEs have developed a social audit process in which ESG issues of their investees are tracked. We have played an active role in the development of ESG scorecard and social audit systems that are used by some of the investment funds in which we invest. One such case is the PYME Capital Fund for Latin America.

No

Active promotion of transparency in all aspects (Principle 5)

Yes

Describe and indicate how.

We do not explicitly refer to transparency in our contracts with externally managed investment funds, but during meetings this issue is addressed.

In 50% of our indirect investees Cordaid has a board seat. During board meetings Cordaid addresses the issue of transparency. In countries where there has been a financial inclusion crisis, like in India, it has become easier to address this issue in boards of indirect investees and discuss this issue with the management of direct investees. As a consequence transparency has therefore received more attention in the due diligence process of the investment managers. Some of the investment funds have developed their own ESG scorecard and report on this to Cordaid. Social Performance criteria, including transparency, are in process to be set and to which investment managers of externally managed funds need to report.

No

Striving for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors (Principle 6)

Yes

Describe and indicate how.

"Balance financial and social returns" of the investment fund is one of the key elements for Cordaid that we look into during the pre-investment process. So far in most cases balanced returns have not (yet) been explicitly mentioned in contracts with externally managed investment funds. The issue is addressed during due diligence and board meetings (in 50% of our indirect investees Cordaid has a board seat) and we expect investments managers to report on both financial and social returns.

No

Collaborating to set harmonised investor standards that support the further development of inclusive finance (Principle 7)

Yes

Describe and indicate how.

We do not refer to standards in contracts with externally managed investment funds, but this issue is addressed in meetings. In 50% of our indirect investees Cordaid has a board seat. During board meetings Cordaid addresses this issue. The Social Performance criteria that are set are becoming aligned with the standards of SPTF & IRIS.

No

Investment manager monitoring and reporting

IFI 04	Mandatory	Public	Core Assessed	General
--------	-----------	--------	---------------	---------

**IFI 04.1**

Indicate if you monitor your current investment managers' implementation of the PIIF principles.

 Yes**IFI 04.2**

Indicate the frequency of reporting you typically require.

- Annually or more frequently
- Every two years or less
- Ad-hoc, specify

So far monitoring is based on Cordaid's participation in board meetings and on the reporting agreements with investment managers.

 No**IFI 04.3**

Additional information. [Optional]

Cordaid's externally managed portfolio is managed by Fund Managers in developing countries. These are mostly small start-up funds that are established by Cordaid and other social investors. These funds are relatively small. There is no explicit mention of PIIF, but the ideas and issues behind PIIF are mentioned in contracts and shareholders agreements.

**IFI 05****Voluntary****Public****Additional Assessed****General****IFI 05.1**

Indicate if you require your investment managers to provide you with information in line with established industry standards.

- Yes
- No

**IFI 05.3**

Additional information.

We are currently in the process to review and redesign reporting formats that will be aligned with international standards. So far we have asked the investment funds to report on clients outreach in terms of poverty targeting, rural outreach and percentage female clients. This applies to 100% of our assets.

**Disclosure****IFI 06****Mandatory****Public****Core Assessed****General****IFI 06.1**

Indicate if your organisation proactively discloses any information about your approach to responsible investment in inclusive finance.

- Yes, we disclose publicly

provide URL

<http://www.cordaid.org/en/topics/investments/>

- Yes, we disclose to clients/beneficiaries only
- No

IFI 07	Voluntary	Public	Descriptive	General
--------	-----------	--------	-------------	---------

<b>IFI 07.1</b>	Indicate if you contributed to the promotion of responsible investment in inclusive finance in the reporting year, beyond investment manager selection, appointment, monitoring and reporting.
-----------------	--

- Yes

<b>IFI 07.2</b>	Describe what actions you have taken and if these are delivered via a separate entity.
-----------------	--

During the last years we have provided grants for various projects that improve inclusive finance industry standards globally or on a regional or national level through the networks that we support. Such cases are MF Transparency and Women's World Banking for development and testing of gender impact indicators.

- No

<b>IFI 07.3</b>	Additional information.
-----------------	-------------------------

Cordaid has (financially) supported and endorsed the CPP, The Smart Campaign, MF Transparency. Furthermore we are active member of networks that promote responsible investments such as SPTF, E-MFP and NPM (Netherlands Platform for Inclusive Finance).