



LEA 02	Disclosures	Monetary	Principles
<p>By providing investors the ability to make informed decisions, the company is committed to transparency in its reporting of ESG information. The company's ESG reporting is based on the GRI Standards and is available on the company's website.</p> <p>The company's ESG reporting is based on the GRI Standards and is available on the company's website.</p>	<p>LEA 02</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency on ability to identify the needs of stakeholders</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage internal staff</li> <li><input type="checkbox"/> To support investment decision-making in &amp; company's ESG issues</li> <li><input type="checkbox"/> To enhance corporate transparency on ability to identify the needs of stakeholders</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage internal staff</li> </ul>	<p>Principles</p> <p>PRI 1, 2, 3</p>
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p>		<p>Reason for interaction</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency on ability to identify the needs of stakeholders</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage internal staff</li> <li><input type="checkbox"/> To support investment decision-making in &amp; company's ESG issues</li> <li><input type="checkbox"/> To enhance corporate transparency on ability to identify the needs of stakeholders</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage internal staff</li> </ul>	
<p>Collaborative engagements</p>		<p>Reason for interaction</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency on ability to identify the needs of stakeholders</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage internal staff</li> <li><input type="checkbox"/> To support investment decision-making in &amp; company's ESG issues</li> <li><input type="checkbox"/> To enhance corporate transparency on ability to identify the needs of stakeholders</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage internal staff</li> </ul>	
<p>Service provider engagements</p>		<p>Reason for interaction</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate transparency on ability to identify the needs of stakeholders</li> <li><input checked="" type="checkbox"/> To engage internal ESG advisors</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage internal staff</li> <li><input type="checkbox"/> To support investment decision-making in &amp; company's ESG issues</li> <li><input type="checkbox"/> To enhance corporate transparency on ability to identify the needs of stakeholders</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage internal staff</li> </ul>	

# RI TRANSPARENCY REPORT

## 2013/14

### Goodwell Investments

## 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 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# 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	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	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							✓

Direct - Inclusive Finance				Principle							General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	7	
IFD 01	Mission and investment objective	✓	Public								✓
IFD 02	Governance, management structures and processes	✓	Public								✓
IFD 03	Social targets	✓	Private								✓
IFD 04	Percentage in equity, debt and guarantees	✓	Private								✓
IFD 05	Percentage in microfinance and/or SME finance	✓	Private								✓
IFD 06	Geographical spread of microfinance investments	✓	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'	✓	Private	✓							
IFD 10	Technical assistance to investees	✓	Private	✓							
IFD 11	Public endorsement of the Client Protection Principles	✓	Public		✓						
IFD 12	Provide training and assistance for investees implementing the Client Protection Principles	✓	Public		✓						
IFD 13	Include the Client Protection Principles in investment policies	✓	Public		✓						
IFD 14	Investment in local currency	🔒	n/a			✓					
IFD 15	Average maturity of debt investments	🔒	n/a			✓					
IFD 16	Average holding period of equity investments	✓	Public			✓					
IFD 17	Terms and conditions	✓	Public			✓					
IFD 18	Tools for social performance reporting	✓	Public				✓				
IFD 19	Retail institutions have independent financial/social rating and/or social audit	✓	Public				✓				
IFD 20	Due diligence on and monitoring and reporting of corporate governance among investees	✓	Public				✓				
IFD 21	Training or assistance for investees on corporate governance	✓	Private				✓				
IFD 22	Percentage of investees where board seats are held	✓	Private				✓				
IFD 23	Procedure to integrate environmental issues in investment decision processes	✓	Public				✓				
IFD 24	Anti-corruption and whistle-blowing policies	✓	Private				✓				
IFD 25	How mission and investment objectives are communicated to stakeholders	✓	Private					✓			
IFD 26	Investors and/or the public provided with information aligned with industry standards	✓	Public					✓			
IFD 27	Transparency of pricing, terms and conditions among investees	✓	Public					✓			
IFD 28	How social performance of investees affects decision making and portfolio management	✓	Public						✓		
IFD 29	Staff incentives linked to social performance measures	✓	Private						✓		
IFD 30	Collecting data regarding social outcomes of investees work	✓	Private						✓		

IFD 31	Incentivise investees to track social performance	✓	Private							✓	
IFD 32	Collaborative initiatives your organisation has supported or participated in	✓	Public								✓
IFD 33	Encouraging investees to participate in collaborative initiatives	✓	Private								✓
IFD 34	Encouraging your investees to participate in initiatives which contribute to the development of industry benchmarks	✓	Private								✓

# Goodwell Investments

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

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

Other, specify

Execution and advisory only services

OO 02	Mandatory	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

15

OO 03	Mandatory	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	Gateway/Peering	General
-------	-----------	-----------------	---------

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

31/12/2012

**OO 04.2** | Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM			80	000	000
Currency	USD				
Assets in USD			80	000	000

**OO 04.3** | Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06	Mandatory	Descriptive	General
-------	-----------	-------------	---------

**OO 06.1** | To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income – corporate	0	0
Fixed income – government	0	0
Fixed income – other	0	0
Private debt	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	100	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

Publish our asset class mix as broad ranges

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
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<b>OO 08.1</b>	Indicate the breakdown of your organisation's AUM by market.
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Market breakdown	% of AUM
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 %

OO 09	Voluntary	Descriptive	General
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<b>OO 09.1</b>	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
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Goodwell Investments is an impact investment firm active in Africa and Asia and advisory services worldwide. Goodwell manages a number of investment funds, supports local businesses with risk capital and with hands-on support and strategic advice to help them scale up faster and become more efficient. Its 16 portfolio companies have provided over 1.2 billion in small loans and other microfinance services to more than 6 million families. The company aims to improve the lives of approximately 4 billion people at the "Base of the Pyramid" via access to financial services, affordable housing, health, education, water and food. Goodwell's model is based on building strong equal partnerships with local entrepreneurial investment teams with an aligned vision, combining professional investment experience, global networks and sector experience with on the ground investment skills. Through this local presence, Goodwell avails of best market intelligence and is able to support investees hands-on.

### Gateway asset class implementation indicators

<b>OO 11</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
--------------	------------------	----------------	----------------

<b>OO 11.1</b>	Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.
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- Inclusive finance
- None of the above

<b>OO 12</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 12.1</b>	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.
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**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

Direct - Other asset classes with dedicated modules
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- Inclusive Finance

**Closing module**

- Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# Goodwell Investments

## Reported Information

### Public version

#### Direct - Inclusive Finance

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## Context

IFD 01	Voluntary	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.

Having access to fair and affordable credit, a safe place to save money and insurance to protect against the unforeseen can make a world of difference for the "unbanked", some 4 billion poor people at the "Base of the pyramid". Affordable microfinance services enable them to build businesses, to increase and stabilize their income and reduce vulnerability. The estimated global unfulfilled demand for microfinance exceeds total supply by a factor of 6-10. In order to scale up and reach out to all of the poor Goodwell's mission is to develop entrepreneurial MFIs by investing in patient risk capital and providing them with guidance and support, and thus generating risk adjusted returns which meet main stream investors' requirements whilst at same time creating social value.

No

IFD 02	Voluntary	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.
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Goodwell Investments ("GIBV") is the manager of two Dutch based investment companies: Goodwell Microfinance Development Company BV I & II ("GMDC I & GMDC II " respectively). GIBV is also the investment adviser of four Mauritius based companies investing in India (AGIMDC I & AGMIDC II) and in Ghana and Nigeria (GWAMDC) and newly set up fund which will invest in Ghana, Nigeria and South Africa (uMunthu). Each vehicle is managed by GIBV in joint venture with local partners (as sub-advisors and jointly the GP). The indigenous, locally present investment teams have a similar vision and professional investment experience. The local partners focus on deal-sourcing and monitoring and through them Goodwell has access to supreme market intelligence and first class deal flow. The activities of GIBV in the Netherlands are centered around: fundraising, educating/supporting local teams with regards to investment management, reporting, legal compliance, managing flows of information of companies to investors and vice versa. The tasks and responsibilities and role division between GIBV and the local partners are documented in sub advisory agreements. Supervision of each investment vehicle is done by a board of directors. The board is normally a mix of investor representatives and independent members. The board appoints an investment committee. The investment committee is always a mixture of Goodwell directors' (GP representatives) with independent members (external experts). Each investment vehicle is administered by a professional external fund administrator/trust company. All procedures, responsibilities and roles are described in an operational manual per investment fund. Quarterly and annual reporting are in line with EVCA and IFRS, and a separate SEMS report is produced annually. Annual auditing is done by PWC.

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

IFD 06	Mandatory to Report Voluntary to Disclose	Descriptive	PIIF General
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<b>IFD 06.1</b>	Indicate if you track the geographical spread of your total assets invested directly in microfinance.
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Yes

<b>IFD 06.2</b>	Of your total assets invested directly in microfinance, indicate the geographic spread as a percentage of your portfolio.
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- Western Europe
- Eastern Europe & Central Asia
- North America
- Latin America (includes Central and South America) & Caribbean
- East Asia & Pacific
- South Asia

% 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 type="checkbox"/> 41-60% <input checked="" type="checkbox"/> 61-80% <input type="checkbox"/> >80%	<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%	<input type="checkbox"/> We do not track this information

No

## PIIF Principle 1: Range of services

IFD 07

Mandatory

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)

<b>IFD 08</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PIIF 1</b>
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**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.

stimulating customers to establish saving accounts



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

Voluntary insurance products

Provide examples of how and what you support.

Life insurance so that a loan is automatically repaid if the borrower dies,  
health insurance, health insurance for animals

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

Other financial services, specify

Mobile Payments

Provide examples of how and what you support.

Goodwell has invested in a provider of mobile payment services in Nigeria

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

Skill development and awareness programmes

Provide examples of how and what you support.

Goodwell's investees are MFI's that provide credit plus initiatives. Examples are vocation training; skill learning classe; health camps reducing members'expenditure on food by aggregating demand and availing bulk discounts; quality education to children of members by running schools and tuition centers; rehabilitation of houses for pavement dwellers; awareness programmes on money management, government services and health; increasing access to safe drinking water;

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

No

## PIIF Principle 2: Client protection

IFD 11	Mandatory	Core Assessed	PIIF 2
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**Possible action:**

Publicly endorse the Client Protection Principles (CPP).

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

IFD 12	Voluntary	Additional Assessed	PIIF 2
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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.
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- Yes
- No

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

- Yes

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

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

IFD 13.3	Indicate if you encourage investees to apply for Client Protection Certification. [Optional]
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- Yes
  - No
- No

## PIIF Principle 3: Fair treatment

IFD 16	Mandatory	Core Assessed	PIIF 3
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**Possible action:**

Provide financing in an appropriate currency and tenor.

Actively support the building of a diversified funding base.

**IFD 16.1** In relation to your direct portfolio in equity (as reported in IFD 04), indicate the average holding period of an equity investment.

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

**IFD 16.2** Indicate if you have specific policies or procedures in relation to responsible approaches to exit.

- Yes
- No

**IFD 16.4** Indicate if you have specific policies or procedures on Return on Equity (ROE) targets or caps in relation to your equity investments.

- Yes
- No

**IFD 16.7** Indicate if you have a set limit regarding the maximum equity investment exposure of the investees in which you invest.

- Yes
- No

<b>IFD 17</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PIIF 3</b>
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**Possible action:**

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

**IFD 17.1** Indicate if you adopt the following practices:

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

Describe your process.

We have detailed termsheets discussions where all the terms and covenants and their implications are discussed prior to signing

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.

Due to the fact that we are present on the ground, we have monthly meetings. Our teams are local, which enhance trust and understanding.

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

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

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.

Goodwell applies CPPs in line with SP Standards Report as promoted by MIX Market in its internal policy with main emphasis on field due diligence consisting of random visits to MFI clients. Goodwell team members also adhere to same policy for monitoring and reporting on daily basis.

#### 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

#### 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

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 19.4** Additional information. [Optional]

Goodwell select retailers with mission and engagement in social management system. That is measure and report on their social performance and development impact in line with SP standards Report. The company is a signatory to CPPs and all retailers are required to adopt and implement them. Sustainable and long-term access can only be guaranteed if the retailers supported by Goodwell are profitable, scalable, well managed and have social impact

<b>IFD 20</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PIIF 4</b>
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**Possible action:**

*Assist in developing appropriate references for corporate governance issues.*

**IFD 20.1** In relation to your due diligence on and monitoring and reporting of corporate governance among investees, indicate if you assess:

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

**Pre-investment**

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

Post-investment

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

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

Through our local team members we are usually represented at the board of directors of our investees and can monitor and influence governance

**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]

Breadth and depth of experience, skills needed for a particular stage of development of the organization, social role and activities. We are represented as members of the board and sub-committees and are therefore able to frequently monitor this.

**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

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

Quarterly board meetings and discussion overview of implementation of standard endorsed policy and prior to decision taken.

IFD 23	Mandatory	Descriptive	PIIF 4
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**Possible action:**

*Assist in developing appropriate references for environmental issues.*

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

- Yes
- 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

**PIIF Principle 5: Transparency**

IFD 26	Mandatory	Core Assessed	PIIF 5
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**Possible action:**

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

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

Yes

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

- The MIV Disclosure Guidelines
  - Yes, to our investors only
  - Yes, to the public
- The Impact Reporting & Investment Standards (IRIS)
- Other, specify

No

<b>IFD 27</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PIIF 5</b>
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**Possible action:**

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

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

**Pricing**

Yes

**IFD 27.2** Indicate how you ensure this for pricing and provide examples.

We ask that effective interest rate publicly disclosed and any additional fee clearly explained to the clients understanding. We do check this during field visits.

No

**Other terms and conditions**

Yes

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

We ask that terms and conditions are clearly explained to the clients understanding. We do check this during field visits

No

## PIIF Principle 6: Balanced returns

IFD 28

Mandatory

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.

Goodwell select retailers with mission and engagement in social management system. That is measure and report on their social performance and development impact in line with SP standards Report. The company is a signatory to CPPs and all retailers are required to adopt and implement them. Sustainable and long-term access can only be guaranteed if the retailers supported by Goodwell are profitable, scalable, well managed and have social impact.

No

Portfolio management

Yes

IFD 28.3

Explain how social performance of investees affects portfolio management.

As part of our portfolio selection and management process, Goodwell ensures that investees selected have the right mix of product and that these products are meaningful, affordable and fair - this extends beyond microfinance and would include other products like affordable housing etc. We also encourage investees to pilot new products in line with our target products.

No

## PIIF Principle 7: Standards

IFD 32

Mandatory

Core Assessed

PIIF 7

**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
- No

**Council for Microfinance Equity Funds (CMEF)**

- Yes
- No

**European Microfinance Platform (eMFP)**

- Yes
- No

**Global Impact Investors Network (GIIN)**

- Yes
- No

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

- Yes
- No

**IFD 32.2**

If you have indicated that your organisation was involved in any of the above, please provide a brief commentary. [Optional]

Goodwell endorsed CPPs ever since it was launched and all its investees are required to adopt and implement them. At the heart of Goodwell's internal policy management system are the provisions laid down in the smart campaign policy. Goodwell was also one of founding signatories for both the Smart Campaign and Principles for Inclusive finance