

Global Impact Investing Fund I Fund Assessment (2014-04-03)

Version: Equity, Quasi-Equity, Long-Term Debt Track / Actively Investing Employees / Emerging Market

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Fund Impact Area

Targeted for Investment

Fund Manager

- FM1.1 Track record in impact investing: What % of the fund management company or parent financial institution's total assets under management are impact investments? If the fund under consideration is the fund team's first impact fund, include the current fund as a part of the fund manager's total AUM. If you are a first-time fund manager that has not yet raised capital, select 0.[Heavily Weighted]
- 0%
- 1-24%
- 25-49%
- 50-74%
- >75%
- FM1.2 Please provide total assets of fund management company or parent financial institution that explicitly target or are invested in impact investments.[Not Weighted]
- FM1.3 Please provide total assets under management of fund management company or parent financial institution.[Not Weighted]
- FM1.4 Has your fund management firm participated in any of the following impact investing industry initiatives?[Less Weighted]
- Membership organizations (e.g. ANDE, GIIN, Toniic, Investors' Circle, other industry network groups, UN PRI)
- Leadership recognition (e.g. Impact Assets50) from industry peer
- Participation on steering committees or other leadership roles within industry associations (e.g. regional impact investing groups, IRIS, ANDE Hubs, GIIN, GIIRS Pioneer, IIX, other)
- Speaking at industry events/conferences
- Other industry development initiatives (please describe)
- None
- FM1.5 Has the fund manager issued any public-facing reports regarding the impact performance of historic funds, either as stand-alone reports or part of larger industry research, reporting (ie - white papers)?[Less Weighted]
- Yes No
- FM1.6 Has the fund manager utilized or partnered with government in any of the following ways:[Least Weighted]
- Foundational -- Fund was started in partnership with a local or national, or multi-national government body
- Financial -- participation/investment in fund by government or quasi-government or multi-lateral organization
- Regulatory -- Fund has utilized government regulatory programs (e.g. SBIC, CDFI, CIC)
- Advocacy -- Fund has advocated or partnered with government to improve impact investing enabling environment
- Other opportunistic opportunity (please describe)
- None
- FM1.7 Please describe additional detail for your response to the question above.[Not Weighted]

Current Fund - includes data only on fund under evaluation

- FM2.1 Is there a statement in your fund's prospectus/PPM/side car letter that it will adhere to international ESG standards (such as IFC Performance Standards, EBRD or other internationally recognized standard)?[Equally Weighted]
- Yes No
- FM2.2 Beyond adherence to international standards, is there a statement in your fund's prospectus/PPM/side car letter that outlines specific areas of impact (e.g. job creation, small business support, renewable energy investment) that the fund will focus on over its investment lifetime?[Heavily Weighted]
- Yes No
- FM2.3 Further, is there a statement in your fund's prospectus/PPM/side car letter that outlines specific, quantifiable social or environmental targets that the fund expects to achieve over its investment lifetime?[Equally Weighted]
- Yes No
- FM2.4 For the fund under evaluation, what is total committed capital dedicated to impact investments?[Not Weighted]
- FM2.5 For the fund under evaluation, what is the total committed capital?[Not Weighted]
- FM2.6 Please provide the excerpt from your PPM/side car letter/comparable agreement that details the how the fund is dedicated to impact investments, as indicated in FM2.1 to FM2.3 above.[Not Weighted]
- FM2.7 This section focuses on the fund under consideration in this fund manager assessment. If the fund has not yet started making investments or for remaining undeployed capital, provide targeted estimates for the questions below. Does your fund explicitly target or have a preference for investment companies with any of the following positive social impact areas/sectors?[Not Weighted]
- FM2.8 This section focuses on the fund under consideration in this fund manager assessment. If the fund has not yet started making investments or for remaining undeployed capital, provide targeted estimates for the questions below. Does your fund explicitly target or have a preference for investment companies with any of the following positive environmental impact areas/sectors?[Not Weighted]
- Biodiversity conservation
 - Energy and fuel efficiency
 - Natural resources conservation
 - Pollution prevention & waste management
 - Sustainable energy
 - Sustainable land use
 - Water resources management
 - Other (please specify)
 - None of the above
- FM2.9 What % of your total fund targets or has invested in portfolio companies with the impact objectives selected above? For undeployed capital, as outlined in your PPM/side car letter/comparable agreements with LPs; for deployed capital, through actual investments.[Equally Weighted]
- FM2.10 Please provide total committed capital that has been invested in or will be invested in companies with the enterprise model selected in FM2.7 and 2.8.[Not Weighted]
- FM2.11 Please provide the excerpt from your PPM/comparable agreement that details the % of fund dedicated to impact investments indicated in FM2.7 to FM2.10 above.[Not Weighted]

- FM2.12 What is the weighted average Human Development Indicator (HDI) level (as calculated by the UNDP) for the countries invested in by your fund? For undeployed capital, as outlined in your PPM/side car letter/comparable agreements with LPs.[Equally Weighted]
- Low HDI
 - Medium HDI
 - High HDI
 - Very High HDI
 - No specific target

Investment Criteria

Positive Impact

- FM3.1 Does your fund's Private Placement Memorandum (PPM), side car letter, LP or other comparable investment agreements include specific language that:[Heavily Weighted]
- Requires fund manager to consider social practices when making investment decisions
 - Explicitly allows the fund manager to consider social practices when making investment decisions
 - Requires fund manager to consider environmental practices when making investment decisions
 - Explicitly allows fund manager to consider environmental practices when making investment decisions
 - Does not reference social and environmental issues
- FM3.2 Please provide language from your PPM/side car letter/LP/comparable investment agreements that set expectations for practices selected in FM3.1[Not Weighted]
- FM3.3 Does your fund have a formal due diligence process to review potential investments according to social and environmental criteria that is included in a written format for an investment committee review?[Equally Weighted]
- Yes No
- FM3.4 If yes for FM3.3, please briefly describe the formal due diligence process for reviewing potential investments and highlight a specific social and/environmental criteria that the committee considers during the due diligence process. If this process is written in the PPM/LP/comparable agreement, you may provide the excerpt.[Not Weighted]
- FM3.5 Which of the following are included in your fund's written social and environmental due diligence process?[Equally Weighted]
- Site visit to all companies
 - Completion of GIIRS' B Impact Assessment during due diligence (including Disclosure Questionnaire)
 - Completion of other written impact assessment (non-GIIRS) during due diligence
 - Business plan presentation by management detailing company's future social or environmental strategy and targets
 - Requirement of third-party evaluation where potential environmental or social sensitivities are identified
 - Other (describe)
 - No written due diligence process
- FM3.6 Has your fund established a written minimum bar for the social and environmental performance that prospective portfolio companies must meet or exceed in order to receive investment?[Equally Weighted]
- Yes
 - No - Fund does not require a positive screen minimum bar but does require compliance to prevent negative impact
 - No minimum bar required

- FM3.7 Does your fund have formal written criteria regarding the social and environmental policies of co-investors? Select N/A only if you have never co-invested on a deal.[Less Weighted]
- Yes No N/A
- FM3.8 If yes was selected for FM3.7, please describe those policies:[Not Weighted]
- FM3.9 Does your fund's investment agreements with portfolio companies set any of the following expectations for the company's environmental performance, employment/labor practices, and/or community engagement?[Equally Weighted]
- No explicit expectations are set
- Companies are required to meet all relevant national environmental and labor standards
- Companies are required to meet relevant international environmental and labor standards
- Companies are required to exceed international environmental and labor standards (such as industry-specific best-in-class standards)
- FM3.10 Have you modified the structure of your fund to have a longer than average (>10 year) fund lifetime or evergreen fund?[Less Weighted]
- Yes No
- FM3.11 What investment vehicles have you used in currently deployed capital?[Not Weighted]
- Equity
- Debt
- Convertible debt
- Royalties
- Demand dividends
- Other (please describe)
- FM3.12 Does your fund do any of the following to structure portfolio investments through a patient and flexible capital structure?[Equally Weighted]
- First loss investment or anchor investor that prompts others to invest
- Participating in a layered investment structure that target lower rates of return than other investors
- Alternative exit structures (i.e. holding corp)
- Flexible interest payment structure (ie - demand dividends, royalties, other in-kind)
- Longer than average debt investments
- Subordinated investments or use of guarantees
- Other flexible investment instruments (please describe)
- No
- FM3.13 What % of the fund's AUM have been deployed using the flexible or patient capital structures identified above, to encourage the entrepreneur to re-invest earnings to grow the business and avoid forced liquidity scenarios?[Equally Weighted]
- FM3.14 Tell us about your fund's investment philosophy. In addition to what has been covered above, what is it about your fund structure and investment process that effectively enables to execute on your impact mission?[Not Weighted]
- FM3.15 Does your fund's investment agreements require the management team of the portfolio company to sign a code of business ethics or anti-corruption policy?[Equally Weighted]
- Yes No

FM3.16 Does your fund's investment agreements require that all portfolio companies' financial statements are verified or audited by an accredited auditor/CPA on an annual basis?[Equally Weighted]

Yes No

Risk Mitigation

FM4.1 Industries: Does your fund specifically screen out any of the following industries in its investment criteria?

Yes - Yes -
Formally Informally No

- | | | | |
|-----------------------|-----------------------|-----------------------|---|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Any product or activity deemed illegal under host country laws or regulations or international conventions and agreements |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Alcohol (excluding beer and wine) |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Commercial logging and logging equipment |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Drift net fishing in the marine environment using nets in excess of 2.5 km in length |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Mining |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Nuclear Power/Radioactive Materials |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Fossil fuel-based oil or coal utility |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Ozone depleting substances subject to international phase out |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Persistent organic pollutants (POPS) that are banned or schedule to be phased out of production |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Pesticides/herbicides subject to international phase-out or bans |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Pharmaceuticals subject to international phase-outs or bans |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Pornography |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Tobacco |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Unbonded asbestos fibers |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Any business relating to prostitution |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Gambling, casinos and equivalent enterprises |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Firearms, weapons or munitions |
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | Wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) |

FM4.2 Does your fund screen for any of the following issues in its due diligence process?

Yes - Formally	Yes - Informally	No
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Animal welfare
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Diversity and equal opportunity
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Employee safety or workplace conditions
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Environmental issues
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Destruction of critical habitat

FM4.3 Which of the following outcomes does your fund screen for in its due diligence process?

Yes - Formally	Yes - Informally	No
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Prospective investment has not had an operational or on-the-job fatality
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Prospective investment's site has not experienced any accidental discharges to air, land, or water or hazardous substances
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Prospective investment does not involve construction or operations that resulted in physical resettlement or economic displacement involving 5,000 or more people
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> No material recalls due to quality control issues
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> No material litigation against the prospective investment
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Prospective investment does not involve large scale land acquisition
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Prospective investment does not involve large scale land conversion and/or degradation
<input type="radio"/>	<input type="radio"/>	<input type="radio"/> Prospective investment does not involve construction or refurbishment of dams

FM4.4 Which of the following outcomes does your fund screen for in its due diligence process?

Yes - Formally	Yes - Informally	No	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Prospective investment is formally registered in accordance with domestic regulations
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Prospective investment's facilities not located adjacent to any sensitive ecosystems
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	No animal testing conducted
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Prospective investment provides clean drinking water to employees at all times
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Prospective investment workers, prospective investment contractors, or day-workers are paid minimum wage or above
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Prospective investment keeps a signed contract of employment with each worker
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Prospective investment or the prospective investments' suppliers does not employ workers under the age of 15 and Prospective investment keeps personnel records that include evidence of the date of birth of each
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Overtime work for hourly workers is voluntary
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Prospective investment provides paylips or equivalent to all workers to clearly show how wages are calculated and any deductions made
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Prospective investment or the prospective investment's suppliers do not use any workers who are prisoners
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Prospective investment allows workers to freely associate and to bargain collectively for the terms of one's employment
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Prospective investment allows workers to freely leave the site during non-working hours or at the end of their shifts (including workers who live on site)
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Prospective investment does not keep workers' original ID Cards/Passports

FM4.5 Provide an explanation for any fields selected above (this will be included on your Fund Rating Report).[Not Weighted]

Portfolio Management

Mission Lock

FM5.1 Tell us how you have customized your fund structure (management fee, carry, interest rate, terms for payback) in ways that align with your mission objective/impact strategy.[Not Weighted]

FM5.2 Is the managing partners' compensation and incentive structure at least partially determined by the social and environmental performance of the portfolio?[Equally Weighted]

- Yes - Managing partners' carry is at least partially determined by social and environmental performance of portfolio
- Yes - Fund managers receive performance-based compensation (not part of carry) that is tied to social and environmental performance
- Disbursement of additional funding is tied to meeting impact-oriented goals for fund
- No

- FM5.3 Provide additional detail about how social and environmental performance is tied to the comp and incentive structure for the fund:[Not Weighted]
- FM5.4 What % of carry is determined by social and environmental performance? Select N/A if No was selected for FM5.2.[Not Weighted]
- FM5.5 Does the fund commit (as outlined in its PPM, side car letter, LP agreements or comparable agreements) to donate a specific % of gains to charitable organizations? If so, what is the committed % of gains?[Less Weighted]
- 0%
- 1-4%
- 5-9%
- 10-49%
- 50%+
- FM5.6 What % of the fund's invested capital has included language or a covenant in the investment agreement that allows the fund to divest early if the mission of the investment or business model changes during investment lifetime?[Equally Weighted]
- 0% 1-24% 25-49% 50-74% 75%+
- FM5.7 What % of the total fund is invested in companies that have a written mission-locked legal governance structure that requires consideration of its stakeholders (community, environment, suppliers, employees)?[Heavily Weighted]
- 0% 1-24% 25-49% 50-74% >75%
- FM5.9 Does your fund have a written policy that includes specific screening criteria for potential acquirers or future investors of your portfolio companies that includes the capacity of the acquirer to maintain or expand the company's social or environmental practices past the time of sale? If your fund invests debt, select N/A.[Equally Weighted]
- Yes - Require compliance with ESG standards
- Yes - Require compliance with ESG standards and that the investor have a positive impact mission/goals
- No - Not written, however this is evaluated on a case-by-case basis
- No - Not a component of the current process
- FM5.10 Please describe your fund's criteria for a mission-aligned exited used in the above question.[Not Weighted]
- FM5.11 For what % of your divestments/exits has there been a contract with the acquirer regarding the ongoing social and environmental performance of the company? Choose N/A only if your fund has not had any exits.[Equally Weighted]
- 0% 1-24% 25-49% 50-74% 75%+ N/A

Portfolio Reporting

- FM6.1 As part of the investment agreement with portfolio companies, does your fund require that portfolio companies fill out the following regarding their social and environmental performance on at least an annual basis? If your fund is completing this assessment as part of a GIIRS Fund Rating, you are requiring an "External Survey." [Equally Weighted]
- External survey (results comparable outside of your company or firm's portfolio, e.g. GIIRS Assessment)
- Internal survey (results comparable within your company or firm's own portfolio)
- None of the above

- FM6.2 Are there other key social or environmental performance indicators that you track across all portfolio companies to determine if your fund is meeting stated social & environmental objectives?[Heavily Weighted]
- No, we don't track KPIs
 - Yes, we measure social and environmental KPIs/outcomes across portfolio companies that are compliant with third-party metrics (GIIRS, IRIS, other metrics)
 - Yes, we measure social and environmental outcomes of portfolio companies over time (including 3rd party studies, baseline customer surveys, PPI)
- FM6.3 If yes, please provide a list of key social or environmental performance indicators that the fund tracks with all portfolio companies. If indicators are compliant with third-party metrics, please identify the metric source, type and any known identifier.[Not Weighted]
- FM6.4 Does your fund measure the income levels of your portfolio companies' customers or require that portfolio companies measure the income levels of customers?[Equally Weighted]
- No
 - Less than 25% of portfolio companies perform surveys/conduct research on customer income levels
 - Between 25 - 50% of portfolio companies perform surveys/ conduct research on customer income levels
 - More than 50% of portfolio companies conduct surveys/perform research on customer income level
- FM6.5 Has the fund manager established a written protocol that addresses how it will report and follow up on any serious incidents/disputes (e.g. labor, community and environment) involving portfolio companies?[Equally Weighted]
- No
 - Written protocol covers internal reporting
 - Written protocol covers external reporting
- FM6.6 With whom does your fund share annual reports and/or aggregated data on the social and environmental performance of your portfolio companies? Select None if your fund does not do annual impact reporting currently.[Equally Weighted]
- Broad public (via website and other public mechanisms)
 - Fund investors
 - Fund team
 - Portfolio company management
 - Portfolio company employees (all)
 - None

Capacity Building

- FM7.1 As part of its investment strategy, do all portfolio companies receive capacity-building or technical assistance from your fund?[Heavily Weighted]
- Yes No
- FM7.2 Which of the following types of capacity building assistance do a majority of your portfolio companies receive as a result of investment?[Equally Weighted]
- Business Strategy
 - Financial/Operational Strategy
 - Capital Raising
 - Other (Fill in)
 - None of the above

- FM7.3 Which of the following types of capacity building assistance do a majority of your portfolio companies receive as a result of investment?[Equally Weighted]
- Social and Environmental Performance
 - Social and Environmental Reporting
 - Other (Fill in)
 - None of the above
- FM7.4 Does your fund provide capacity building or technical assistance to prospective investments, prior to an investment being made?[Equally Weighted]
- Yes No
- FM7.5 During the last 12 months, for which of the following topics did a majority of your portfolio companies receive capacity building as a result of your fund's investment?[Not Weighted]
- Governance (Mission, Board, Financial Reporting and Controls)
 - Workers (Compensation, Benefits, Training, Ownership, etc.)
 - Community Development (Local Involvement, Quality Assurance, Diversity, Charitable Activities, etc.)
 - Environment (Inputs, Outputs, Certifications, Recycling Programs, etc.)
 - N/A - Do not provide capacity building on social or environmental performance issues
- FM7.6 What type of professionals are used to provide capacity building to your fund's portfolio companies? Select all that apply.[Less Weighted]
- Fund's investment staff
 - Fund's dedicated technical assistance staff
 - Affiliated Organization (Please describe)
 - Third-party local experts
 - Third-party non-local experts
 - Academics, Business Accelerators, Fellowships
 - Other (Please describe)
 - N/A - No T/A provided
- FM7.7 If internal staff are used to provide capacity building assistance, approximately what % of their time, or what % of the overall team is allocated toward providing assistance.[Not Weighted]
- N/A - No TA or not provided in-house
- < or = 20% of staff time
- 20-40% of staff time
- >40% of staff time
- FM7.8 What % of that time is allocated toward providing assistance that focuses specifically on the social and environmental (as opposed to management or financial performance) of the portfolio companies?[Not Weighted]
- N/A - No TA or not provided in-house
- < or = 20% of staff time
- 20-40% of staff time
- >40% of staff time

- FM7.9 How is this capacity building funded? Select all that apply.[Not Weighted]
- Fund Management Fees
 - Technical Assistance Subsidy (donor funded)
 - Portfolio Company covers 50% of T/A cost
 - Portfolio Company covers <50% of T/A cost
 - Through other partnerships that cover cost of TA (academia, fellowship programs, business accelerators, etc)
 - N/A - No T/A provided
- FM7.10 Does the fund team have an individual(s) whose job responsibilities include tracking and measuring the effectiveness and meeting desired outcomes of the capacity building/technical assistance that is provided to portfolio companies?[Equally Weighted]
- Yes No
- FM7.11 If yes, how does this person track and measure effectiveness?[Equally Weighted]
- N/A - not tracked
 - Frequent and regular in-person meetings with portfolio companies (monthly or quarterly)
 - Measuring against pre-defined KPIs and targets, as reported by portfolio companies (monthly or quarterly)
 - External consultants monitor and report
 - Other (Describe)
 - None
- FM7.12 Has your fund worked to strengthen the business environment in target investment markets? If yes, please describe.[Not Weighted]

Fund Governance

- FM8.1 Does the Fund's board or investment committee have representation from at least one independent member?[Equally Weighted]
- Yes No
- FM8.2 Does the Fund Manager/GP have an audit committee with representation from at least one independent member?[Equally Weighted]
- Yes No
- FM8.3 Does the Fund Management team have controls in place to ensure accurate financial reporting? Select the controls that are in place:[Equally Weighted]
- None
 - Fund financial report audited by an independent accredited audit firm/CPA on an annual basis
 - Annual board meeting to review financial and social reporting
 - Other (please describe)
- FM8.4 Does the Fund share with its investors the audited financial statements of all underlying portfolio companies? For funds in formation, please respond Yes if the fund's prospectus/PPM/side car letter includes written intent to do so.[Equally Weighted]
- Yes No