DIRECT IMPACTS

Promoting more sustainable finance

The direct impacts are the lasting improvements to which the Foundation has plausibly contributed in favour of the organisations it supports. Aligned and made consistent, these three impact objectives are broken down into operational purposes. Resulting from the Foundation’s approach, the entire undertaking has beneficial effects in terms of the dissemination and implementation of responsible and inclusive finance among organisations and initiatives operating in close proximity to populations in the territories.

THE 3 IMPACTS:

1. Sustainable organisations with a social impact
   Perpetuation of organisations that provide essential services

2. Social and environmental performance
   Strengthening of the social and environmental performance of the organisations supported and of the Foundation

3. A more inclusive and more sustainable financial sector
   Promotion of inclusive finance practices in the bank
Impact n°1

**ADAPTED FINANCIAL OFFER AND TECHNICAL ASSISTANCE**

The Foundation offers a wide range of financial and technical assistance solutions

**Financing**

Flexible financing with loans ranging from €300K to €5M (compared to 2.5 M€ for the microfinance sector*)

- Senior loans
- Guarantees
- Subordinated debt

€91M in microfinance outstandings
94% loans in local currency

**Investments**

€5M mobilised in the capital of 12 social enterprises **
10 years of financing horizon
4 exits (out of 15 initial investments)

**Technical assistance**

<table>
<thead>
<tr>
<th>African Facility II since 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>144 missions</td>
</tr>
<tr>
<td>22 institutions supported</td>
</tr>
<tr>
<td>91% small institutions (Tier 3)</td>
</tr>
<tr>
<td>€446,706 impacted borrowers*</td>
</tr>
</tbody>
</table>

**SOLIDARITY Bankers since 2018**

| 13 missions |
| 12 enterprises and institutions supported |
| 14 Solidarity Bankers |
| 123 days of mission |

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Whether for financial inclusion, access to clean energy or sustainable agriculture, the microfinance institutions and businesses supported by the Foundation promote access to essential services for vulnerable populations in often fragile economic situations.

In microfinance, for instance, the Foundation is present in the countries least served by international donors, particularly in Sub-Saharan Africa (44% of outstanding microfinance loans monitored).

Its specific controlled financing approach enables it to grant loans with a 99.6% repayment rate. The Foundation’s support is part of a long-term relationship: 69% of loans are renewed.

In addition to financing and investments, the Foundation has developed a solid offer of technical assistance aimed at strengthening the organisations supported to structure, manage and run their activities. The Foundation coordinates missions under two programmes: the African Facility since 2013 with the Agence Française de Développement [French Development Agency] and Banquiers solidaires [Solidarity bankers], a skills volunteering programme launched in 2018 with Crédit Agricole Group entities.

Three new projects will strengthen the offer in 2020: a programme for the financial inclusion of refugees with the UNHCR(1) and the Swedish Cooperation, a programme to support microfinance in West Africa with the EIB(2) and the Luxembourg government and a project to promote microinsurance with Proparco and the ILO(3).

**SUSTAINABLE SOCIAL IMPACT ORGANISATIONS**

— The Foundation helps consolidate and perpetuate organisations that provide essential services to vulnerable segments of the population.

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## Enhanced Social and Environmental Performance

The Foundation strengthens the social performance of the organisations it supports continuously through its advice and guidance. It is now starting to integrate the environmental impact into its due diligence and its technical assistance programme. It also continues to improve its own.

### Social Performance

- **Performance of supported organisations**
  - The Foundation’s portfolio is assessed using the microfinance reference tool SPI4-Alinus.

### Environmental Performance

- **Performance of supported organisations**
  - The financial services offered by microfinance institutions supported by the Foundation strengthen the resilience of vulnerable populations in the face of climate shocks. Even if environmental performance management is more recent, it is making progress.

### A pioneer in approaches to inclusive finance, the global microfinance industry has defined its Universal Social and Environmental Performance Standards.**

Expressed as standardised indicators, they help streamline the practices and responsible management of financial activities.

As a stakeholder in these innovations, the Grameen Crédit Agricole Foundation assesses, audits and monitors its counterparties using this approach, which combines financial with social and environmental performance. The result is a quality portfolio with partners whose impact capacity is constantly improving.

At the operational level, this partnership-based monitoring with the organisations financed takes various forms: recommendations, preconditions for financing, technical assistance missions. This is a mastered know-how for which the Foundation has an internal centre of expertise. It shares its best practices in responsible management, particularly with Crédit Agricole Group entities, on behalf of third-party investors.

Finally, the Foundation pursues an exemplary approach by applying these principles to itself, particularly in its management: training plans, quality of life at work, and areas for progress in the representation of women in key positions.

In all areas of social performance, the microfinance institutions supported by the Foundation have performed better than the sector benchmark and are constantly improving.

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### Performance of supported organisations

- **Minimize adverse effects on the environment**
  - 84% of institutions have established an exclusion list of activities dangerous for the environment.
- **Improve resilience with green initiatives**
  - 42% of the institutions offer green products that finance ecological practices.
- **Contribute to the energy transition**
  - Palmis Enèji offers economical cooking stoves with a high ecological impact in Haiti.

### Performance of the Foundation

- **Responsible management**
  - The Foundation has set up a working group on environmental performance and formalised an ad hoc action plan.
  - 139 t CO₂ emitted are offset with the Livelihoods Carb
- **Develop securitisation with environmental impact**
  - Credit Agricole CIB and the Foundation have launched a securitisation pilot project with an environmental impact in favour of ZECI (p.17), with a specific environmental reporting framework managed by the Foundation.

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<table>
<thead>
<tr>
<th>Social objectives</th>
<th>Social commitments</th>
<th>Product design</th>
<th>Responsible treatment of employees</th>
<th>Responsible treatment of clients</th>
<th>Balanced financial and social performance</th>
<th>Green index</th>
<th>Total</th>
<th>Social index performance</th>
<th>Environmental index performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>(\text{Benchmark (N=212)})</td>
<td>(\text{Foundation (N=67)})</td>
<td>1. Social objectives</td>
<td>1. Annual training plan</td>
<td>1. Staff</td>
<td>1. Women</td>
<td>26%</td>
<td>19%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Social objectives</td>
<td>4. Responsible treatment of clients</td>
<td></td>
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</tr>
</tbody>
</table>

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1. Finance, Risk and Impact Committee

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(*) CERISE’s 2019 assessment on 212 microfinance institutions audited

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**Study carried out in 2018 by the Foundation on 52 partners.**
A MORE INCLUSIVE AND SUSTAINABLE FINANCIAL SECTOR

Positioned as a centre of expertise for financial inclusion within Crédit Agricole, the Foundation intensifies the promotion of banking practices with a social impact through innovative proposals carried out in cooperation with Group entities.

The Grameen Crédit Agricole Foundation shares its experience as a financier and investor with a social impact. In almost 12 years of activity, it has modelled its responsible approach and designed efficient operating methods to reconcile financial yield and social performance. It is now disseminating its know-how to step up its commitment to inclusive and sustainable finance.

The Foundation’s action is part of an open eco-system: multinational corporations, institutional and financial partners (European Investment Bank, Agence Française de Développement), with NGOs, startups, microfinance players (ADA Microfinance), etc. It is also assuming an increasing role as an expert in inclusive finance within the Crédit Agricole Group through multiple cooperative ventures, projects or joint programmes with the entities of the Group. Its partnerships, such as those with Crédit Agricole SA’s International Retail Bank (BPI) and with Crédit Agricole CIB in India and the Ivory Coast are significant in this respect, as is the collective mobilisation around the Fund for Inclusive Finance in Rural areas (FIR).

Beyond the practices of inclusive finance, the Foundation implements a banking approach adapted to address daunting challenges: vulnerable populations, the development of rural areas, and the empowerment of women often in the context of fragile countries.

Dissemination of inclusive finance and social impact entrepreneurship practices

The Foundation provides advice for commitments in microfinance, grants guarantees and monitors loans.

Crédit Agricole CIB
Crédit du Maroc
Crédit Agricole Egypte

Securitization of the impact

The Foundation and Crédit Agricole CIB advise and support the impact enterprise ZECI which provides solar equipment in rural areas of the Ivory Coast. The structuring and financing of the project have been devised as an impact securitization offer where the Foundation monitors the extra-financial performance.

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Advised by the Foundation, this Fund enables the entities of the Crédit Agricole Group to finance microfinance institutions operating in rural areas among populations who have no access to banking.

Solidarity Bankers

The skills volunteering programme has offered Crédit Agricole staff an opportunity to embark on technical assistance missions to social impact enterprises since 2018.

14
Solidarity Bankers
10 countries
123 days of mission

Solidarity Bankers

Dissemination of inclusive finance and social impact entrepreneurship practices

The Foundation aims to disseminate its experience and expertise through various publications on the scale of the financial sector.

Publications

The Foundation bolsters its ecosystem by organising events and interventions on microfinance, the financing of rural economies and projects with the Group.

Meetings

Events organised in 2019 of which 7
Meetings of the Foundation Friends Club of which 2
Solidarity Cents operation of which 1

Interventions in conferences, workshops, meetings of which 37
Members of the Foundation Friends Club, a group composed exclusively of Crédit Agricole employees interested in the Foundation’s activities of which 394.