

## **SPTF Social Investor Working Group**

*January 19, 2022*

### **Where We Stand on ALINUS (Cécile Lapenu from CERISE):**

- The idea for ALINUS 3.0 is to have something that is manageable for due diligence and helps select investees based on risk, reputation, and good practices. The updates have further emphasized governance and the environment.

### **Overview of 7 Dimensions**

- We now have a total of 64 indicators across the 7 dimensions within ALINUS.
- The dimensions with the most indicators are dimension 4 on client protection and dimension 5 on decent work conditions and responsible human resource management. Dimension 7 now has been added and focuses on environmental performance management and has 10 indicators.

### **ESG Module/SFDR Discussions (Bonnie Brusky from CERISE):**

- There is a subgroup specifically dedicated to Sustainable Finance Disclosure Regulation (SFDR), and there are 14 obligatory ALINUS indicators and some of the optional indicators that you should fill in if you are required to report on SFDR. The complex part of the SFDR reporting is determining the level at which you are collecting data. We have decided for this year to report at the MFI level and even so, some of the mandatory indicators could responsibly be scored as zero. We would like to move towards collecting data at the level of the portfolio/end clients in the coming years. With more precise data, it would be easier to identify aspects of MFIs portfolio that may be riskier from an environment perspective, and we could work to mitigate those risks. For example, looking at loans by sectors, we could see which loans went to sustainable agriculture practices versus less sustainable ones. If we find that this sub-segmentation is possible and realistic at the MFI level, then the next step would be to tag which sectors would be considered at risk for the indicator that allows you to calculate the emissions to water or which of these sectors is considered high climate impact sector.
- Edouard Sers (Grameen Crédit Agricole) gives a short presentation on the steps that led to dimension 7 being added (32:50-38:40).
- We are launching the new Universal Standards in February 2022, but it will take until Q4 2022 for ALINUS to be fully updated. We have already raised €40,000 for ALINUS from you all.

### **Feedback**

- **Edouard Sers (Grameen Crédit Agricole):** The indicators for ALINUS are the result of years of work and feedback from investors and MFIs. Do you think we got enough field feedback on the OrgInfo and these new categories or is there a need to have a small pilot with a few MFIs to make sure that what we have at the end of the year is the most useful?
- **Cécile Lapenu (CERISE):** More work can definitely be done to make sure that these tools align with your work. We are already planning to do a few pilots around SFDR each quarter.

### **Closing Remarks**

- Join our newsletter to stay informed about upcoming events, tools and resources.
- If any investors have additional feedback after today's discussion, please email Jurgen Hammer: [jurgenhammer@sptfnetwork.org](mailto:jurgenhammer@sptfnetwork.org)