

ACTIVITY REPORT 2023

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Part one

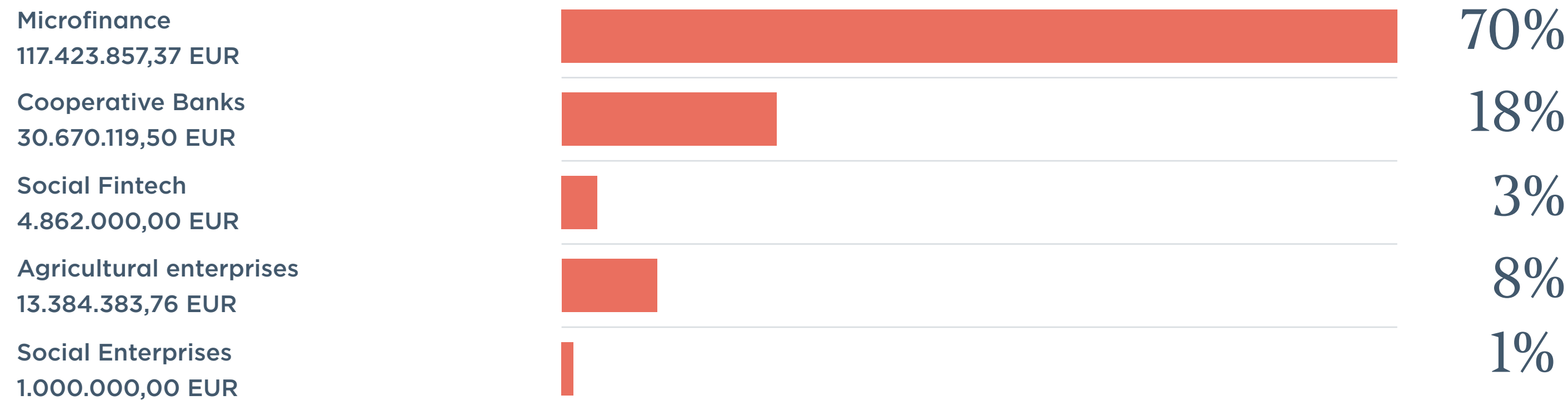
IMPULSE

Highlights 2023

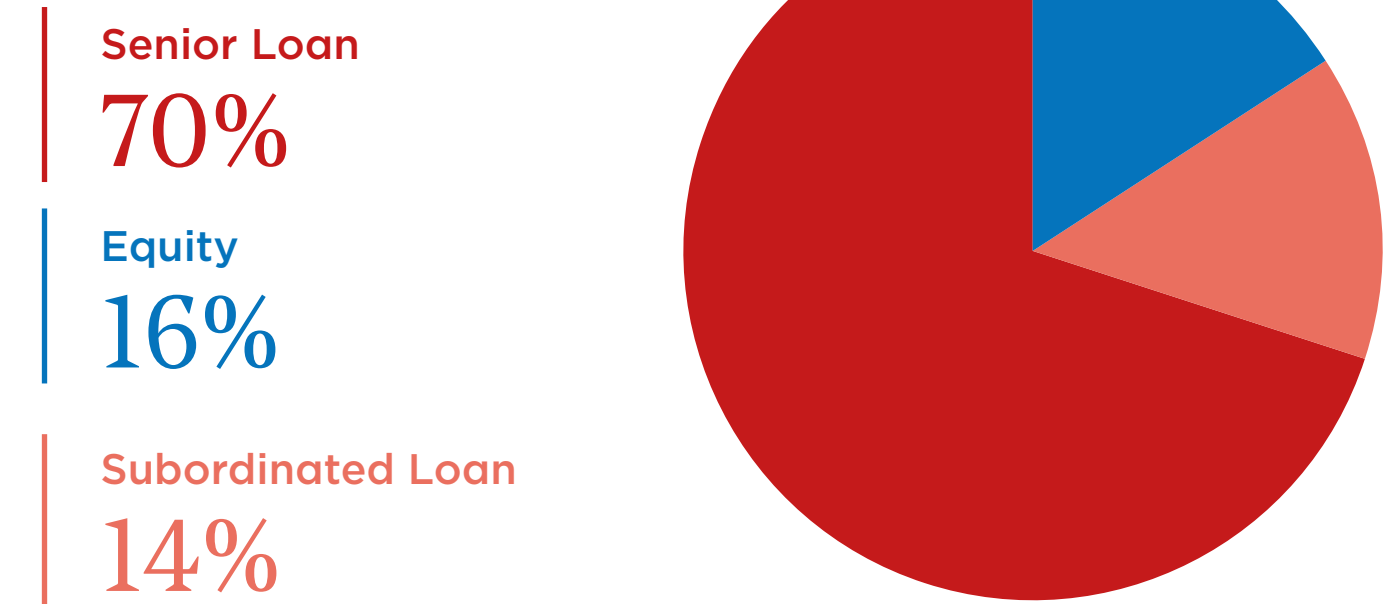


*Social enterprises directly & indirectly supported: 2 direct, 46 through Bolsa Social, 22 through Mikrofonden and 695 through Merkur

Consolidated disbursements, by type of institution



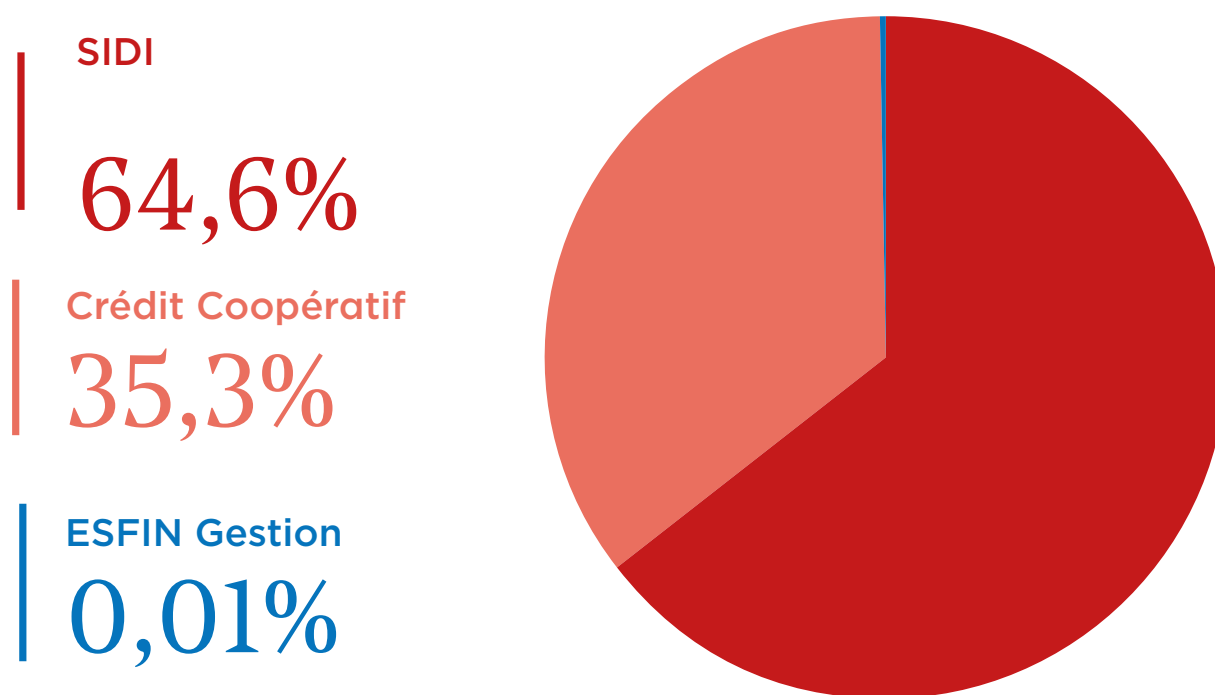
Consolidated disbursements, by instrument



Shareholders & Governance

Our Cooperative Company

Inpulse is a Brussels-based investment manager **with distinctive know-how in social investments and microfinance**. It is overseen by a board of directors made up of 9 professionals, with a variety of expertise.



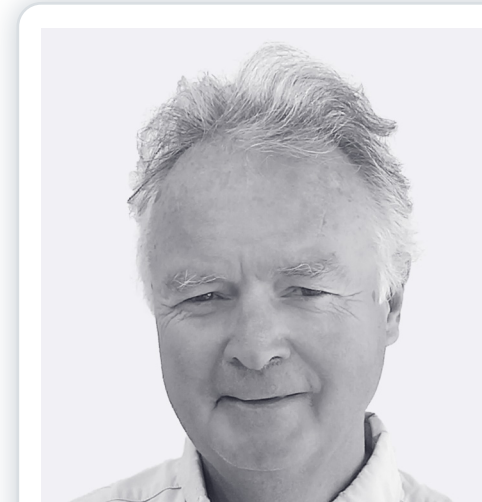
Board of Directors SIDI



Pierre
Valentin



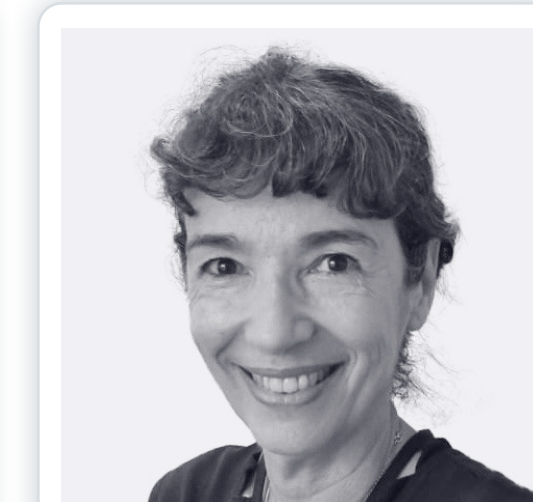
Anne-Sophie
Bouguin



Patrick
Saurat



Michel
Chatain



Antonia Lambert-
Alcantara

Crédit Coopératif

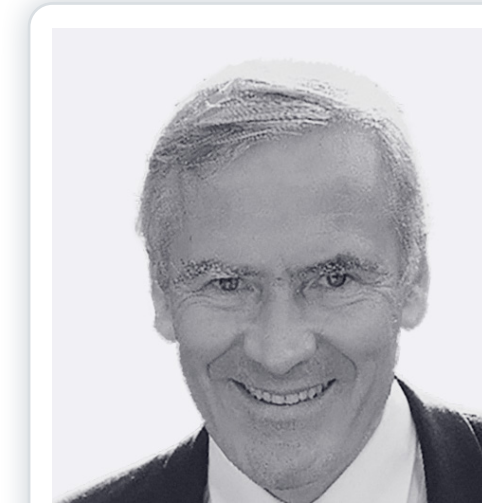


Pascal
Pouyet

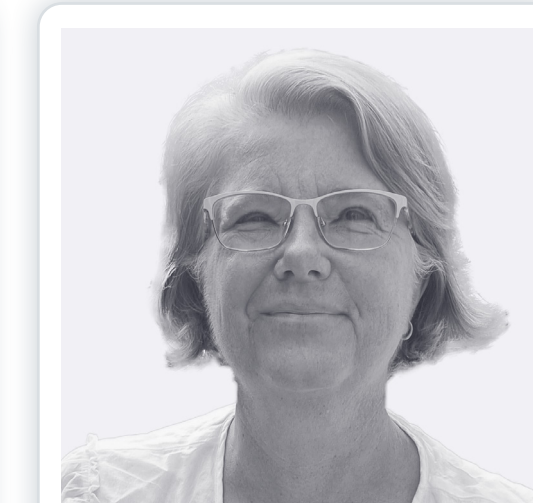


Dany
Maklouf

Independent



Dominique de
Crayencour



Birgitta
Van Itterbeek

Team members

Inpulse has a dedicated team of multilingual and multi-skilled professionals committed to bring positive change in the life of financially excluded people.

Staff members Women staff Nationalities

14 **50%** **7**

Years of experience Spoken languages Office locations

258 **9** **3**

Retention rate*

88%

* Retention rate over the last 5 years



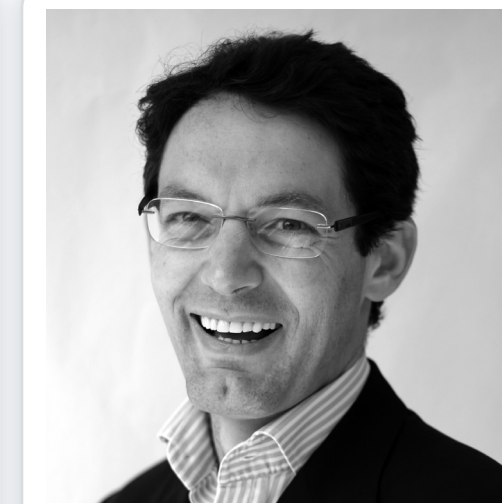
Bruno Dunkel
General Manager



Zahra Kimdjee
Senior Investment Adviser



Izabela Norek
Investment Manager -
Helenos portfolio coordinator



Nicolas Blondeau
Fund Manager



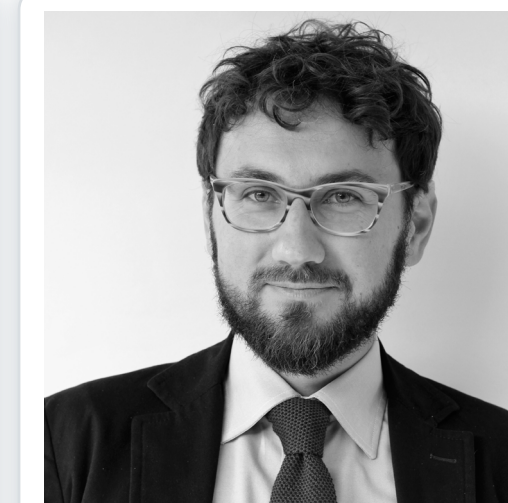
Monika Czerwinska
Senior Investment Analyst



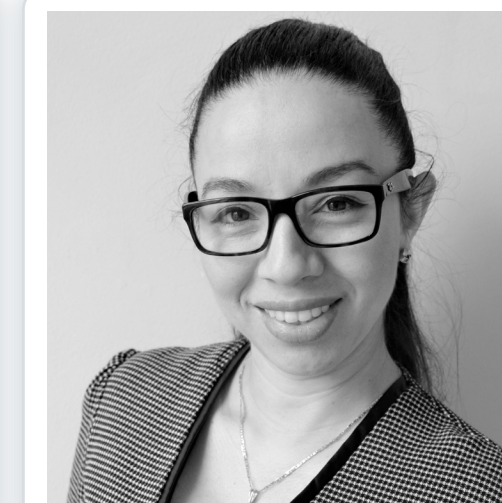
Michal Radziwill
Investment Manager
& Chief Financial Officer



Justine Palermo
Investment Manager - ImpaktEU
portfolio coordinator



Francesco Grieco
Technical Assistance
& Impact Manager



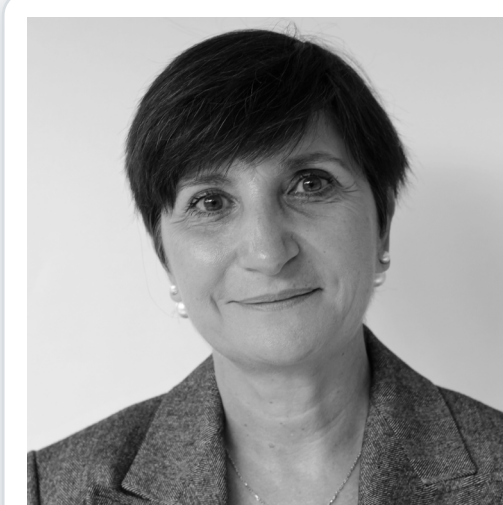
Karina Navarro
ESG and Sustainability Expert
& Data Intelligence Manager



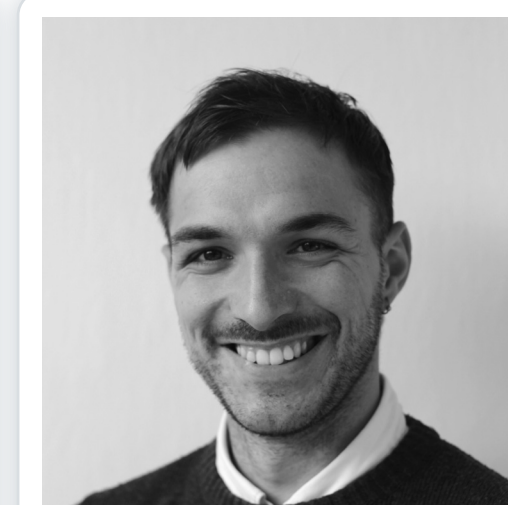
Imad Haidar
Senior Investment Analyst



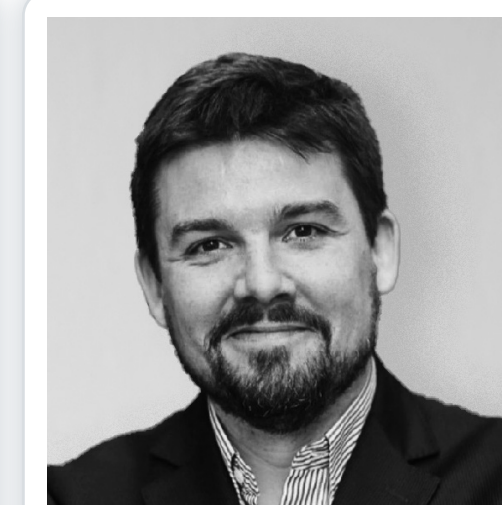
Valérie Valente
Administration and Support



Laurence May
Risks and Compliance Manager



Matteo Ragno
Risks & Compliance Analyst



Baptiste Rolin
Finance and Risks Officer

Our services & expertise

Since 2020, Inpulse is working under the **AIFM license**.

It increased even more the recognition of professionalism and expertise obtained throughout the years and allowed to **manage funds for third parties**. Embedded into impact fund, impact management and technical assistance are fully part of our expertise.

We propose as well each of those services separately.

1. Fund management

- › Inpulse's core activity has been the funds management since inception.
- › From conception till reimbursement to investors.
- › As of today, and thanks to our AIFM license, **we manage 2 impact** funds dedicated to microfinance and social enterprises: **Helenos** and **ImpaktEU**.
- › Besides, **we advice 2 funds** which are in the end of their maturity: **CoopEst**, which closed end of 2023, and **CoopMed**, which is about to close in the coming years.
- › With CoopEst ending, we are proud to **have realized** successfully the **full scope of a fund life**.
- › Based on this unique experience, the whole team is ready to further develop the current funds and initiate new initiatives.

2. AIFM as a Service

- › Inpulse is the partner of choice for impact fund managers, who can rely on it to implement all AIFM standards in terms of risk, compliance, reporting and fund administration.
- › Since 2021, Inpulse is AIFM for Fefisol 2 fund under Luxembourg law.

- › Since 2022 Inpulse is AIFM for the ImpaktEU fund under Belgian law.
- › This new business development is underpinned by a **highly qualified** team whose skills are diversified both in terms of investment areas and geographical zones (Europe, Middle East, Balkans, Sub-Saharan Africa).
- › The team's investment experience includes **SMEs, small and medium-sized banks, MFIs, fintechs, crowdlending platforms and agricultural entities**.
- › Inpulse Investment Management has a dedicated risk and compliance team. This team carries out **risk analyses**, investor reporting, regulatory reporting, participates in investment committees and ensures that risk procedures are constantly updated.
- › This team is also in charge of **fund compliance**. This team ensures that all fund procedures are in place. It is responsible for verifying that investments comply with fund regulations. It carries out KYC checks and manages AML/FT alerts via the B4Finance tool, and provides AML/FT training for all fund employees and service providers.
- › In addition, Inpulse Investment Manager carries out all investor and regulatory reporting (FSMA, CSSF, AED, FATCA, CRS, SFDR).
- › Inpulse is a **triple bottom-line organization** valuing a fair financial return for its investors, a sound social performance - that we measure - and a positive environmental impact

3. Impact management & T.A.

IMPACT MANAGEMENT & MEASUREMENT

The core objective of Inpulse is to **promote sustainable investments** throughout our fund management duties applying an Impact and ESG approach which integrates social, environmental and governance dimensions. Strong integration with UN Sustainable Development Goals is at the heart of our actions, from the first client assessment till reporting and contracting. We apply the UN SDGs as the key language to show our contribution to global sustainable development. Thanks to the 2023 partnership with Hedera we brought our IMM system to the next level: **impact data collection and management is now 100% digital**.

Inpulse management of **environmental** and **social** sustainability is based on our IMM system to analyse, monitor and report on non-financial performance of all investments made by our managed funds. We make sure that all our investees are institutions that are not only financially sustainable, but also that seek to alleviate socio-economic problems, while applying the “do no significant harm” principle to their final clients and to the environment the operate in.

SUSTAINABILITY RISK MANAGEMENT

Sustainability risk management must cover equity and loans operations in companies in which Inpulse can

invest through managed funds. Inpulse investment policy consists of defining its investment universe by integrating ESG criteria and on **integrating ESG analysis systematically alongside financial analysis** when making investment choices.

The search for sustainability is applied all across our investment process, from ex-ante integration of sustainable development objectives within the investment criteria of all our funds, and ex-post reporting on environmental and social impact.

KEY POLICIES IN PLACE

1. Sustainability and ESG Policy
2. Engagement Policy
3. Remuneration Policy

HEDERA & INPULSE

Hedera is an expert European provider of digital solutions with extensive experience in measuring impact on social and environmental financial inclusion. Our alliance with Hedera has allowed the flexible and rapid digitization of 100% of the impact and ESG management system. Thanks to this new system, Inpulse can more efficiently and robustly collect and analyze impact/ ESG data, sustainability and ESG reports, as well as pre-investment scoring. Contributing to our effort to generate sustainable positive impacts through our investments.

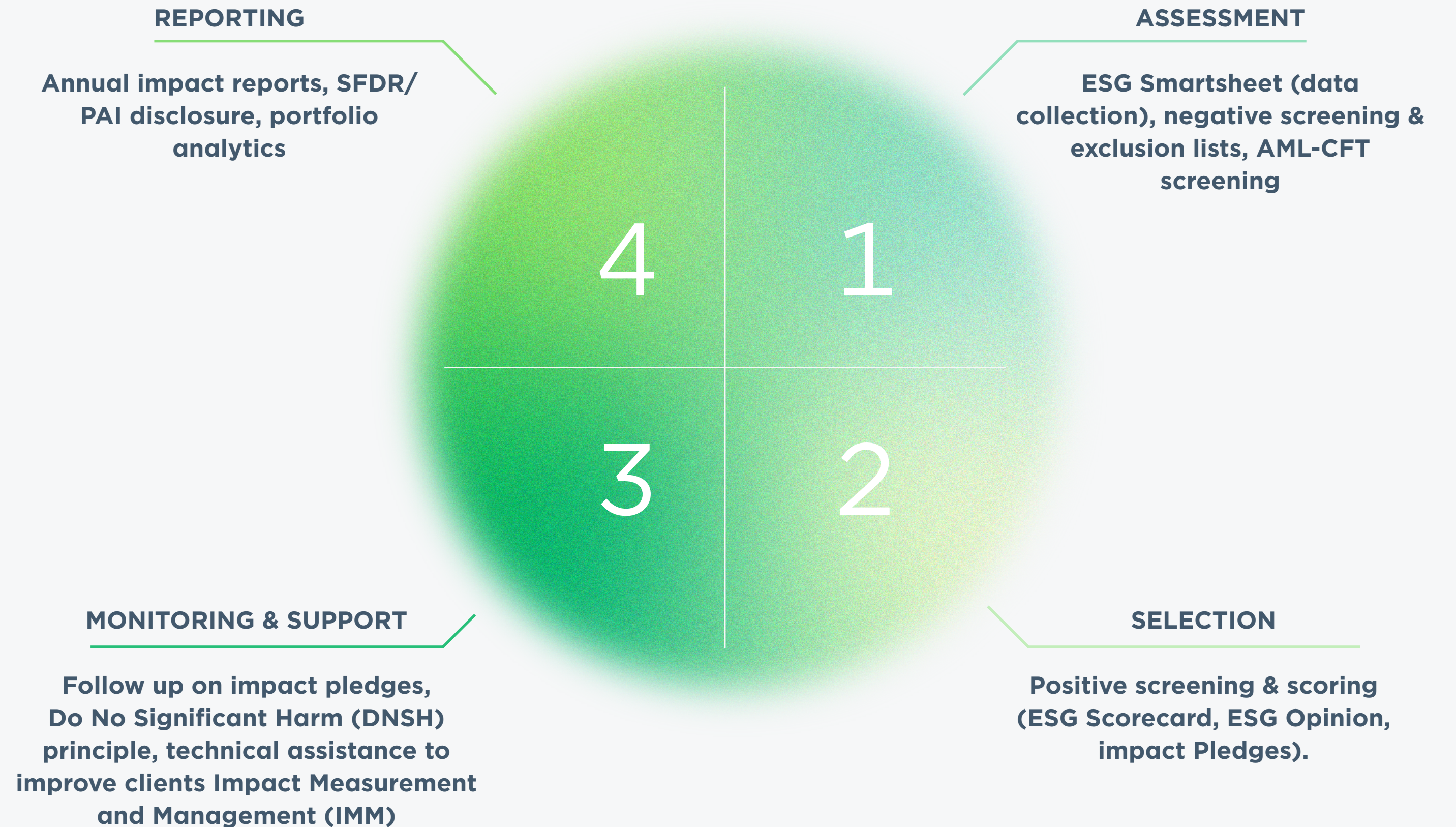
INSPIRED BY BEST PRACTICES

Our system is aligned with the Universal Standards of the Social Performance (USSPM) Task Force, the Global Investing Network (GIIN-IRIS) guidelines and the Smart Campaign for client protection principles. We evaluate our environmental performance in line with the CERISE SPI4 Green Index and assess the effects of climate change on investees portfolios. Additionally, women empowerment is analysed in depth through the benchmarks used by 2xChallenge initiative. Good governance control is inspired by the European Code of Good Conduct for Microcredit provision.

IMPACT INTEGRATION WITHIN THE INVESTMENT PROCESS

SFDR

In accordance with Article 3 of EU Regulation 2019/2088 on Sustainable Finance Disclosure Regulation (SFDR) we integrate sustainability risks into Inpulse Investment Manager's investment processes. Moreover, we provide **transparent and enhanced information** in terms of environmental and social responsibility of our financial products, in particular through the provision quantitative data on non-financial sustainability of our investments. Annual reports are published annually to disclose the non-financial results of our funds under management, which are all products targeting 100% sustainable investments. **All our managed funds are labelled Article 9.**



CONNECTED TO IMPACT INVESTORS COMMUNITY

At the level of the microfinance and social economy industry, our willingness to **sharing knowledge** and being always updated within the best practices is also reflected in our participation in the initiatives promoted by the sector. We are actively co-organizing, sponsoring and animating workshops on key topics for bringing forward the best practices of impact investing. Inpulse is thus very active in European Union fora and is member of the [European Microfinance Network \(EMN\)](#), the Federation of European Ethical and Alternative Banks ([FEBEA](#)), [BE Impact](#) (the Belgian hub supporting impact organizations), of the [Impact Europe network](#) (former EVPA), of [FAIR](#) association in France and of the [MFC](#) in Poland.



Impact Finance
Belgium



Impact Europe



MICROFINANCE CENTRE

febea

EUROPEAN FEDERATION OF ETHICAL AND
ALTERNATIVE BANKS AND FINANCIERS

fair.
Financer
Accompagner
Impacter
Rassembler

BEYOND ENGAGEMENT: TECHNICAL ASSISTANCE

Thanks to the financial support of the **Agence Française de Développement**, the **European Investment Bank/Luxembourg Government** and **Norfund** we are providing investees with **advisory services and capacity building** to strengthen their long-term competencies since 2017. Combined with financing, this twin pillar integrated approach aims at enhancing investees' sustainability. Since 2022, a Technical Assistance Facility is available for Helenos clients to sharpen their impact management. In this regard, the main goal of **Helenos TAF** is providing technical expertise for setting up/reinforcing IMM (Impact Measurement & Management) systems, thus enabling investees to improve their methodologies to achieve greater impact.

2023

4

TA PROJECTS

4

COUNTRIES

4

INVESTEES
SUPPORTED

13,600 EUR

AVERAGE BUDGET

1993

Soficatra becomes the first ever European Investment company dedicated to the development of the Social Economy sector within the EU. Inpulse is acting as technical support of Soficatra investment activities

2019

Agence Française de Développement (AFD) becomes CoopMed investor. Inpulse supports AFD in the assessment process of a dedicated program for women social entrepreneurship in the MENA region

2006

Launch of **CoopEst** debt Fund targeting Central and Eastern Europe. Inpulse provides administration support and gains its first experience in the microfinance sector

2020

March 2020, Inpulse receives the **full license as manager of alternative investment funds** by the Belgian Financial Services and Market Authority (FSMA)

2009

The **European Investment Fund** (EIF) enters CoopEst shareholding

2021

July 2021, the French impact investor **SIDI** (Solidarité Internationale pour le Développement et l'Investissement) becomes second shareholder of Inpulse.

Incorporation of **FEFISOL 2** Fund and contractualization with Inpulse as AIFM. FEFISOL 2 is the successor fund of FEFISOL 1 promoted by SIDI and Alterfin. The fund is dedicated to financing African rural microfinance institutions and agricultural entities sourcing from small-holder farmers in Africa

2013

Inpulse becomes a subsidiary of the French Credit Coopératif, member of BPCE Group, 2nd banking group in France

2015

Launch of **CoopMed** debt Fund dedicated to MENA region - the European Investment Bank is one of the initial investors

2022

Launch of **ImpaktEU** a debt & equity Fund targeting MFIs, social enterprises, ethical & cooperative banks in all the EU countries, in partnership with Funds for Good.

2018

Launch of **Helenos** equity Fund addressing the entire EU and accession countries, with the support of the European Commission and the European Investment Fund

2023

Our initial fund **CoopEst** comes to an end. CoopEst allowed 902.822 clients to access to affordable loans, with an IRR on target.

SOCIAL ECONOMY INVESTORS & BANKS



DEVELOPMENT FINANCE INSTITUTIONS (DFIs)



IMPACT & RESPONSIBLE INVESTORS



MUTUAL INSURANCE COMPANIES

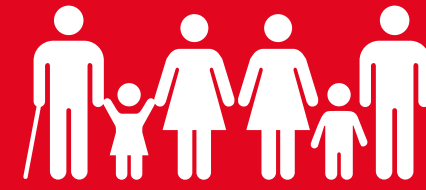


Impact report

The impact analysis presented below covers data of 2023 from CoopMed, Helenos and ImpaktEU. The results show that Inpulse contributes to the generation of **positive social impact for seven SDGs.**



1 NO POVERTY

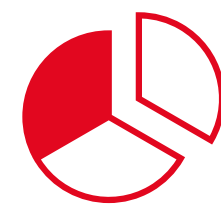


SDG 1 No poverty



155,750

Active clients-final beneficiaries



66%

BoP (share of loans < GNI per capita)



38%

Women clients



46%

Rural clients

KEY FACT 1

In 2023, our financing reached 155,750 final beneficiaries. Of these, 52% were in Eastern Europe and the Balkans and 43% in the MENA region. The contribution in these regions is relevant considering that **MENA is the “only region across the world where poverty (\$3.65 line) has increased over the past decade**, from an estimated 12.3% in 2010 to 18.1% in 2023”*

KEY FACT 2

66% of the investments made by our investees addressed the Bottom of the Pyramid (BoP), meaning clients with loan amounts below the GNI per capita of each respective country. Furthermore, to contribute to poverty reduction, we also **supported vulnerable populations**. 38% of the end clients were women and 46% of the them were in rural areas. Despite these good results, these indicators had a decreasing trend compared to 2022, mainly due to difficulties in the MENA region.

2 ZERO HUNGER



SDG 2 zero hunger



47%

Rural loans



22%

Agriculture/Livestock portfolio



41%

Agricultural portfolio to micro-enterprises



5,192

Loans to smallholders

KEY FACT 1

In 2023, Inpulse contributed to the financial inclusion of **vulnerable rural people and agricultural** communities. Out of the total loans disbursed by our investees; 47% were to rural areas, equivalent to 74,090 loans. Of these, 23% were disbursed in the MENA region (17,182), 69% in Eastern Europe and the Balkans (50,872), and 8% (6,036) in other European countries.

KEY FACT 2

The contribution to SDG 2 in 2023 was significant, with **22% of the portfolio in agriculture/livestock**, 41% in microenterprises in agriculture, and 5,192 loans to smallholder farmers. However, the number of smallholder farmers financed was lower than in 2022, because the investees from the MENA region did not invest in these type of clients in 2023.

5 GENDER EQUALITY



SDG 5 Gender equality



38%

Loans to women



38%

Loans for business Development to Woman



53%

Women in senior Management Positions



58%

Women in the Workforce

KEY FACT 1

In 2023 Inpulse contributed to gender equality through the **financial inclusion of women** and the strengthening of their leadership in the workforce. 38% of the loans granted in 2023 were to women, equivalent to 61,007.

KEY FACT 2

Although this result was lower than in 2022, the financing of businesses led by women was maintained (38%), and women in the workforce (58%), likewise, the **representation of women in senior management positions increased to 53%**. Initiatives towards gender equity and empowerment were mainly leveraged among Balkans and Eastern European investees.

8 DECENT WORK AND ECONOMIC GROWTH



SDG 8 Decent work and economic growth



53%

Income Generating Activities Portfolio



103,041

Jobs created/ Maintained



61%

Micro-enterprises Financed



78%

Investees assess employees' satisfaction

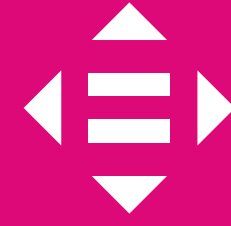
KEY FACT 1

Inpulse contributed in 2023 to economic growth through **business financing and income-generating activities**. 53% of the total portfolio of our investees was allocated to economic activities, mainly existing businesses (43,351). These generated/maintained **103,041 jobs**, a lower figure than in 2022, mainly drawn by investees from the MENA region.

KEY FACT 2

Employee satisfaction in the work area was evaluated by 78% of our investees. The results of these surveys conclude that **65% of employees are 'very satisfied' and/or 'extremely satisfied'**.

10 REDUCED INEQUALITIES



SDG10 Reduced inequalities



31,912

Youth (<35) Financed



1,088

Immigrants and ethnic minorities Financed



48,728

Unbanked Clients



741

Start-ups financed



39%

Investees Applying SPI4

KEY FACT 1

In 2023, Inpulse contributed through its investees to the financial inclusion of vulnerable, disadvantaged, and minority populations, as well as the improvement of labor policies and client protection. **25% of the loans were distributed to vulnerable groups, such as youth, immigrants, refugees, and smallholder farmers.**

74% of our investees offered non-financial services and 98% responded to customer complaints. However, customer retention was higher in 2022.

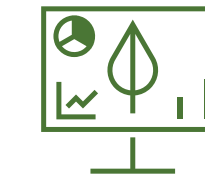
KEY FACT 2

Regarding financial inclusion, 48,728 loans were disbursed to unbanked people and 36,606 loans were allocated to different types of minorities, of which 31,912 were disbursed to youth and 1,088 to immigrants and/or ethnic minorities. Despite these **good results towards the contribution of reduce inequalities**, funding towards refugees and start-ups had a decreasing trend in 2023 mainly due to economic policies and immigration contexts in Middle East countries.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

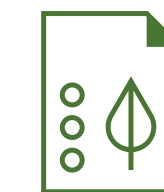


SDG 12: Responsible consumption and production SDG 13: Climate Action



74%

Investees with Environmental Strategy



83%

Investees with Environmental Exclusion list



65%

Investees Monitoring Internal Ecological Footprint



17,813

Green loans

13 CLIMATE ACTION



KEY FACT 1

Environmental performance among our investees **improved significantly in 2023**. 74% of investees had an environmental strategy, 83% implemented an exclusion list to avoid investments with external negative environmental effects and 65% managed their internal ecological footprint. These results had a positive trend compared to 2022 where they were, respectively, 59%, 70% and 52%.

KEY FACT 2

In 2023, 17,813 **green loans** were disbursed. Being almost **three times the amount disbursed in 2022**, this is mainly driven by the investees located in the MENA region

Gender analysis

KEY FACT 1

In 2023, Inpulse, through its investments, contributed to the financial inclusion and economic strengthening of **60,350 women**.

KEY FACT 2

89% of these women clients are located in countries of the Balkans, Eastern Europe, Middle East, and North Africa. **Regions with significant gender inequalities** represent different types of risks and vulnerabilities for women, including economic disadvantages and different forms of abuse in workplaces.*

KEY FACT 3

In 2023, 38% of loans to women were addressed to the **development or maintenance of businesses**, relevant challenges to beat gender inequalities.

KEY FACT 4

Despite general good results, we recognize that there is still a **window for improvement** to support women in their entrepreneurship and management capacities, on which we are committed to continue working on.

CRITERIA: WOMEN ENTREPRENEURSHIP

GENDER ANALYSIS - INPULSE		2X CHALLENGE	
OUR INDICATORS		CRITERIA	THRESHOLD
Businesses founded (or maintained) by women	38%	Share of women ownership	51%
		OR	
		Business founded by a woman	50%

CRITERIA: WOMEN LEADERSHIP

GENDER ANALYSIS - INPULSE		2X CHALLENGE	
OUR INDICATORS		CRITERIA	THRESHOLD
Women in senior management positions	53%	Share of women in senior management	40%
Women on the Board of Directors	31%	OR	
		Share of women on the Board or Investments Committee	45%

Gender analysis

KEY FACT 1

In 2023 our investees reported a total of **2,296 staff members**. Of which 1,340 were women, representing 58% of the workforce (the same proportion as in 2022).

KEY FACT 2

Our investees significantly increased the offer of benefits to **improve the working conditions of women**, going from 42% in 2022 to 61% in 2023.

KEY FACT 3

39% of our investees provided **specific financial products aimed at women** in 2023. This was very consistent with their mission (35% of them focusing on women empowerment).

KEY FACT 4

The number of women financed decreased from 2022 to 2023, from 51% to 38%, mainly due to the economic and political difficulties faced by our investees in the MENA region.

KEY FACT 5

The performance of our investees in terms of improving the conditions of women in the workplace and financial inclusion significantly **exceeds the thresholds proposed by the 2X Challenge**.

CRITERIA: WOMEN IN THE WORKFORCE

GENDER ANALYSIS - INPULSE		2X CHALLENGE	
OUR INDICATORS		CRITERIA	THRESHOLD
Women in the staff	58%	Share of women in the workforce	45%
Women as loan officers	54%	AND	
Investees with policies including gender non-discrimination in the workplace	83%		
Investees offering additional benefits to improve women's employment	61%	One 'quality employment indicator beyond compliance	yes/no

CRITERIA: FINANCIAL SERVICES TO WOMEN

GENDER ANALYSIS - INPULSE		2X CHALLENGE	
OUR INDICATORS		CRITERIA	THRESHOLD
Investees with specific financial products for women	39%	Product(s) or service(s) enhance(s) well-being of women/girls and/or drives gender equi	yes/no
Women clients	38%		
Investees with a client gender equality policy	74%	Portfolio - Fund Manager Level	Meets at least ONE of the 2X Criteria
Unbanked women clients who gained access to financial products	41%		

Environmental analysis

KEY FACT 1

In 2023, the strategy, direction and communication of **environmental management** among our investees improved compared to the previous two years.

KEY FACT 2

Formalization and **implementation of environmental objectives** increased significantly, being present in 74% of the investees (compared to 56% in 2022).

KEY FACT 3

Internal environmental risk management among our investees has also increased in the last three years. The implementation of actions to reduce and monitor internal environmental risk increased from 42% in 2021 to 65% in 2023. Investees from all regions made positive progress in this effort.

KEY FACT 4

Investees mainly made efforts to digitalize their processes to reduce paper and are more conscious about their carbon emissions. Indeed, **sustainable management** of other resources such as energy and water can be improved.

STANDARD 1: STRATEGY, DIRECTION, AND COMMUNICATION OF ENVIRONMENTAL MANAGEMENT

GREEN ANALYSIS - INPULSE	GREEN INDEX - SPI4*
OUR INDICATORS Investees having environmental goals, targets and/or indicators to provide strategic direction Investees appointing a specific person to manage environmental issues Investees reporting on environmental performance and practices	STANDARD The institutions define, manage and monitor their environmental strategy
59% Avg Score	39% Avg Score

STANDARD 2: INTERNAL ENVIRONMENTAL RISK MANAGEMENT

GREEN ANALYSIS - INPULSE	GREEN INDEX - SPI4*
OUR INDICATORS Investees implementing actions to reduce their internal environmental impact Investees implementing actions to monitor their internal environmental impact	STANDARD The institutions implement actions to reduce their internal ecological footprint
65% Avg Score	52% Avg Score

The comparison of our results is made with the scores of the Green Index 3.0 based on the ALINUS audits carried out until 2022, a version aligned with our environmental performance indicators..

Environmental analysis

KEY FACT 1

External environmental risk management has improved significantly compared to the previous year. In 2022, only 19% of our investees evaluated these risks, compared to 39% in 2023.

KEY FACT 2

In 2023, 83% of our investees had an **exclusion policy** or list to avoid adverse effects on the environment, compared to 64% in 2022.

KEY FACT 3

Still a lot can be done in terms of **training employees to evaluate environmental risks**, as well as the provision of non-financial services to increase clients' awareness regarding environmental risks, being carried out, respectively, by only 9% and 13 % of the investees.

KEY FACT 4

The amount of **green loans** disbursed in 2023 almost tripled compared to 2022. Going from 7,359 in 2022 to 17,813 in 2023, the bigger part of these loans were financial products oriented to renewable energies and to sustainable agriculture.

KEY FACT 5

The **offer of non-financial services** to rise clients' awareness on environmental practices and green products increased from 0% in 2022 to 13% in 2023. This improvement was driven mainly by investees from the MENA region.

STANDARD 3: EXTERNAL ENVIRONMENTAL RISK MANAGEMENT

GREEN ANALYSIS - INPULSE		GREEN INDEX - SPI4*	
OUR INDICATORS		STANDARD	
<ul style="list-style-type: none"> › Investees evaluating and providing training on external environmental risks › Investees with explicit policy or exclusionary list to avoid environmental adverse effects › Investees providing non-financial services to raise clients' awareness on environmental impact/risks 	36% Avg Score	The institutions manage their external environmental risks	34% Avg Score

STANDARD 4: GREEN FINANCIAL AND NON-FINANCIAL PRODUCTS

GREEN ANALYSIS - INPULSE		GREEN INDEX - SPI4*	
OUR INDICATORS		STANDARD	
<ul style="list-style-type: none"> › Investees offering specific green loan products (renewable energy & energy efficiency, sustainable agriculture) › Investees offering green financial and non-financial products to promote sustainable practices 	24% Avg Score	The institution foster green opportunities	31% Avg Score

Environmental analysis

KEY FACT 1

The **environmental performance of Inpulse's investees** is outstanding when compared with the 2022 benchmark of SPI4-Green Index 3.0.

Inpulse has an aggregate **score of 46** compared to 39 for SPI4 scores.

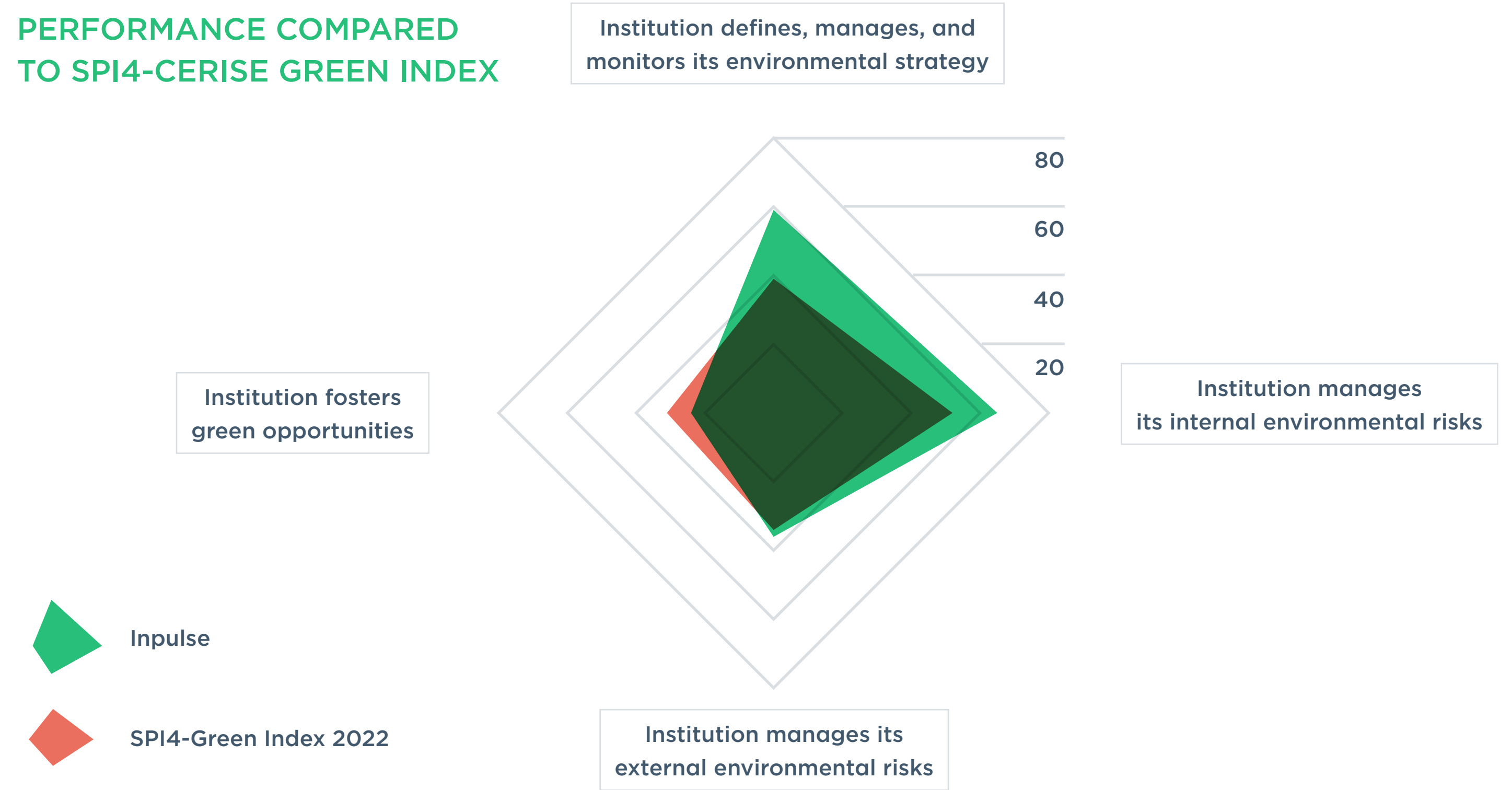
KEY FACT 2

Our investees performed very well in defining, managing and monitoring their environmental strategy and managing their external and internal environmental risks. All these results **exceed the benchmark** considered.

KEY FACT 3

Although it has improved compared to 2022, the provision of **green financial and non-financial products**, is still below the benchmark. This is mainly due to the fact that our investees have mostly missions oriented towards social and financial inclusion. However, our new funds and investees are **increasingly interested in developing green products** and foster green products.

INPULSE'S ENVIRONMENTAL PERFORMANCE COMPARED TO SPI4-CERISE GREEN INDEX



Inpulse
 SPI4-Green Index 2022

Standards	Inpulse	"SPI 4 Green Index 2022"
Institution defines, manages, and monitors its environmental strategy	59	39
Institution manages its internal environmental risks	65	52
Institution manages its external environmental risks	36	34
Institution fosters green opportunities	24	31
Average	46	39

Environmental analysis

KEY FACT 1

The perception of our investees regarding the **effects of climate change** has increased compared to 2022. In 2023, the investors perceived a greater presence of negative effects in different climatic factors, with a **greater presence of droughts and changes in temperatures**.

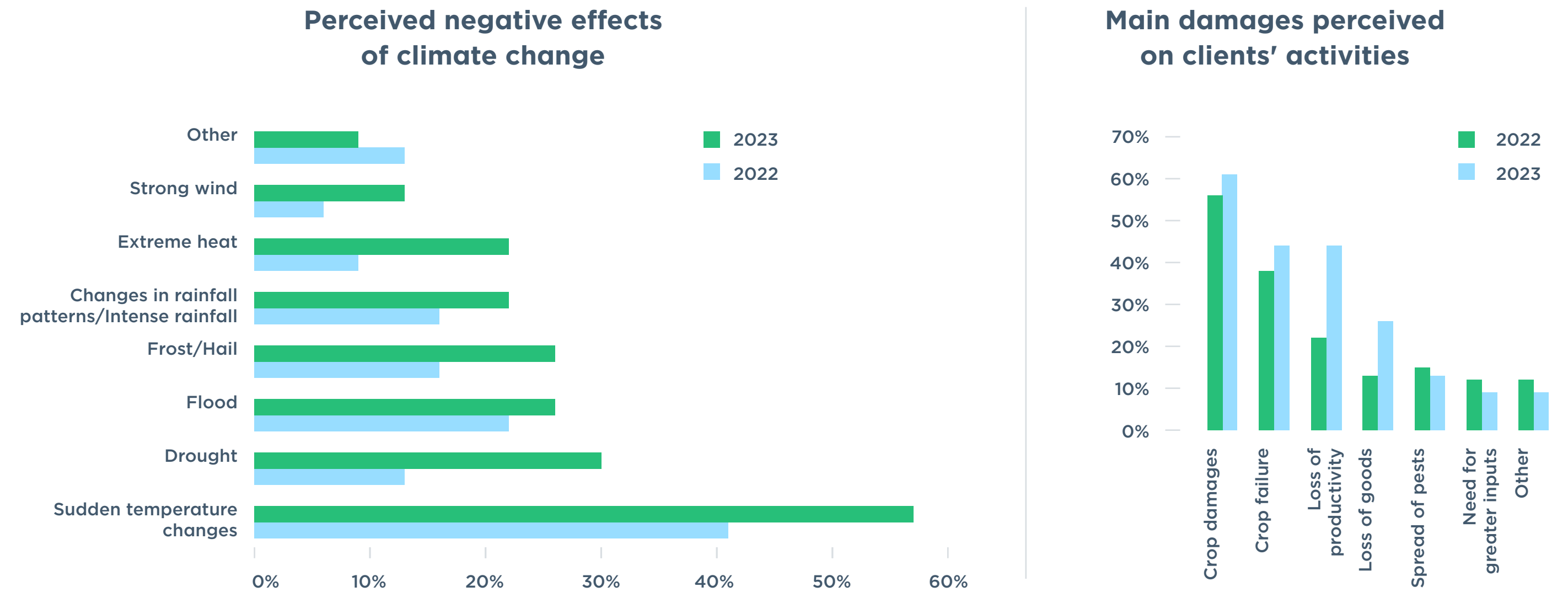
KEY FACT 2

According to our investees, the main damages caused by climate change are damages and **losses of crops and loss of productivity**. These impacts are perceived with greater intensity compared to 2022.

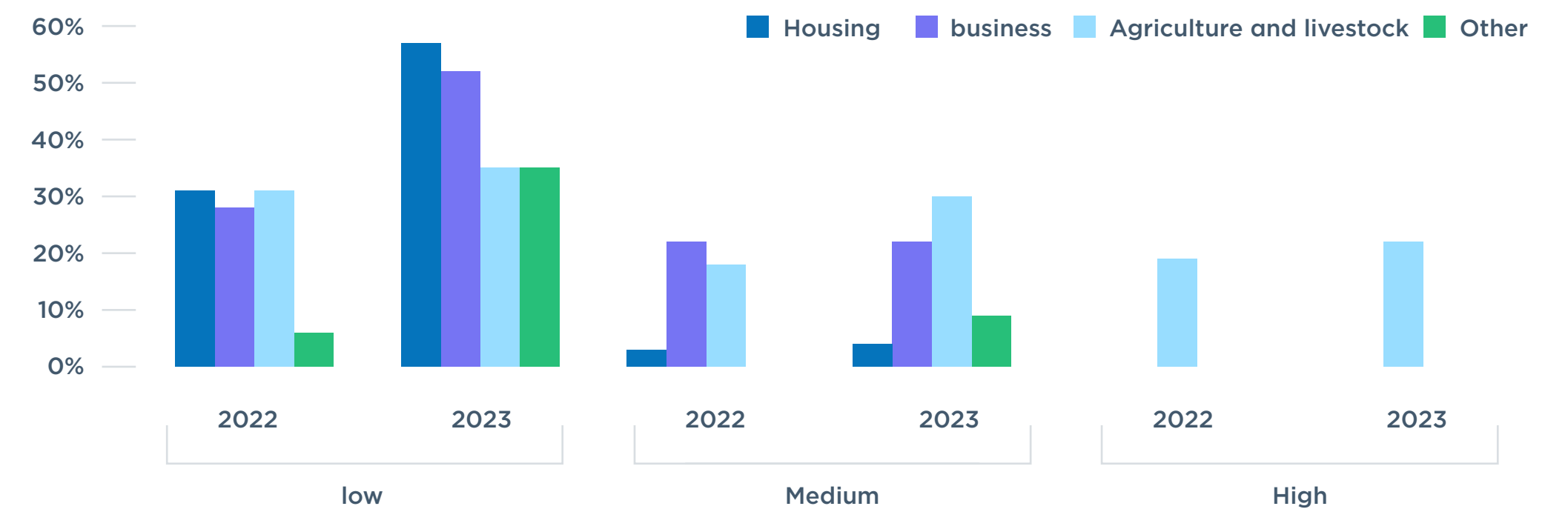
KEY FACT 3

Due to climate change, Inpulse's investees experienced a higher default rate in 2023 compared to 2022. It's important to note that default rates for all types of loans are generally low to medium, except for agricultural loans, which are also perceived as high due to these effects. Additionally, it is observed that **climate change primarily impacts the repayment of agriculture and business loans**. These results highlight the importance of implementing technical assistance projects, training, and non-financial services to manage climate-related risks and opportunities.

STANDARD 5: PERCEPTION OF OUR INVESTEES ABOUT THE EFFECTS OF CLIMATE CHANGE



Estimated impact on default rates due to climate change effects



Governance

BUSINESS PLANNING

OUR INDICATORS

- › Investees producing strategic documents
- › Regular revision of strategic documents
- › Investees having social goals included in bylaws and business plan
- › Investees with environmental goals included in a formal environmental policy or business plan

Avg Score

89%

BOARD EFFECTIVENESS & INDEPENDENCE

OUR INDICATORS

- › Investees with supervisory board or board of directors
- › Investees with board members independent from the management
- › Active involvement of board members
- › Investees with independent audit/internal control committee

Avg Score

99%

KEY FACT 1

Governance performances in 2023 continued to improve compared to the previous two years. 100% of investees produce strategic documents, which are reviewed regularly by 97% of them. Among our investees having social and environmental objectives formalized, a significantly increasing trend was observed regarding the **inclusion of environmental objectives** (in policies and business plans), going from 56% in 2022 to 74% in 2023.

KEY FACT 2

Regarding the dimension “Effectiveness and Independence”, 100% of our investees have a formal board of directors in place. However, there is still no equitable gender representation, since only 31% of these positions are occupied by women (although better than in 2022, which was 29%). Particularly, the **largest number of women on the board of directors is found in the investees located in the MENA region**. 96% of the board members are independent of management and 100% of our investees have established an audit or internal control committee, independent from management (much better than in 2022, which was 93%).

MANAGEMENT, HR & OPERATIONAL MANUELS

OUR INDICATORS

- › Investees with a succession plan for executive management in place
- › Investees with an HR policy in place
- › Investees assessing clients' satisfaction
- › Investees assessing employees' satisfaction

Avg Score

81%

EXTERNAL ACCOUNTABILITY

OUR INDICATORS

- › Investees audited annually by an external auditor
- › Investees carrying out internal audits including social performance aspects
- › Investees reporting over social and environmental performance and practices

Avg Score

81%

KEY FACT 1

Regarding the dimension “Human Resources and Operations”, 70% of our investees have a **succession plan in place** (decreasing compared to 2023). 100% of them have offered training to their employees and 83% included clauses in their policies related to non-discrimination and the prevention of gender violence in the workplace.

KEY FACT 2

In terms of transparency and accountability, performance is much better compared to the previous two years. 100% of our investees are audited annually by an external auditor. 91% of the investee companies carry out **internal audits that consider aspects related to social performance**. In addition, 78% and 56% also report on their social and environmental performance, respectively.

•
Part two

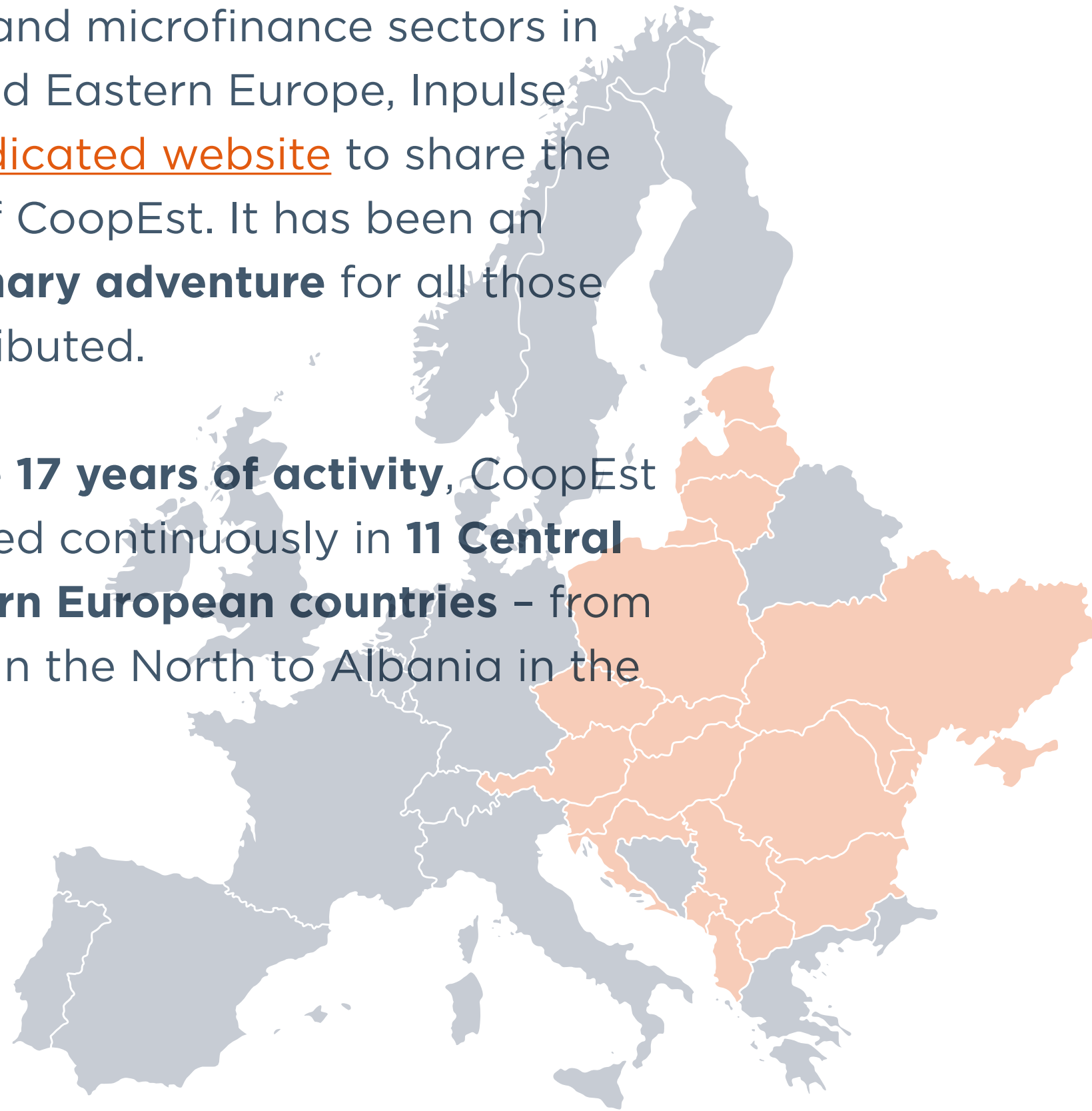
FUNDS ADVISED AND MANAGED

CoopEst

CoopEst Highlights

After 17 years of supporting the social economy and microfinance sectors in Central and Eastern Europe, Inpulse built a [dedicated website](#) to share the essence of CoopEst. It has been an **extraordinary adventure** for all those who contributed.

During the **17 years of activity**, CoopEst has invested continuously in **11 Central and Eastern European countries** – from Lithuania in the North to Albania in the South.



“

CoopEst funding was essential to strengthen the capital adequacy ratios of the Cooperative Banks of SGB Group.

”

Adam Skowronski

Chairman of the IPS of SGB Group (Poland)

“

I would like to thank CoopEst supporting Lithuanian credit unions as initial support was very key while strengthening the network.

”

Sigitas Bubnys

former CEO, LCCU (Lithuania)

“

Given the great experience with CoopEst in the past, we are for sure looking forward increasing our cooperation in the future and are always recommending Inpulse Funds to other MFIs in the sector.

”

Dzavid Sjfovic

General Director, LIDER
(Bosnia & Herzegovina)

The idea of supporting socially minded financial institutions in countries transforming their economies and joining the EU appeared during the two conferences of social economy players - in 2002 in Prague and 2004 in Cracow.

François Soulage has served as the Chairman of CoopEst since the beginning, **Karol Sachs** and **Pierre Valentin** supported us with their ideas as Board members for the whole life of CoopEst - more in [this video](#).

Crédit Coopératif, along with the **IFC**, the **EIF**, **Groupe MACIF** and **Banca Etica** were the main investors throughout the 17 years.



Faced multiple crisis
(2008, Covid, Ukraine war)



Zero or negative interest rate
environment during 10 years



Business founded by women:
48,2%



187.353 Business
loans to women



23.489 Green loans (green
housing, green agriculture,
environmental products and
RE/EE)



Impacted 902.822 clients
over 17 years



Responsible finance : 100% of
Investees used a specific tool
to control indebtedness of its
clients



A long term involvement
with farmers

[watch the video](#)

Clients story

Berna SANCAKLA

She opened her first hairdressing and nail salon 15 years ago, thanks to a loan of EUR 3.000.



[Read the client story](#)

Clients story

Mahmut LUSH ÇUKAJ

Mahmut bought cows thanks to a loan. Together with his son, they raise 13 cows.



[Read the client story](#)

CoopMed

COOPMED

Highlights

- › Throughout 2023, as in the previous year, CoopMed activities was mainly focused on **portfolio monitoring** and maintaining our support to existing partners.
- › This year, the war in Ukraine and its subsequent inflation worldwide, the residual impacts of the Covid-19 pandemic and the ongoing **Israel-Gaza war** have been the three major themes affecting the environment in the region.
- › This situation was adding to “the myriad (of) interconnected risks that companies are having to contend with, from economic turmoil and political instability to an increasingly complex human rights landscape and the impacts of the evolving climate crisis” (CSIS, 2018). This could not be truer for the partners CoopMed has been following up in its near 10 years of operations in the region.
- › The instability has led to a **dramatic drop in development indicators**, such as poverty and employment level. As such, it was even more important than ever for these partners to remain strong to their social mission while remaining resilient and sustainable.
- › **Inpulse’s long regional and global experience** in supporting partners during crises enabled it to stand by its MENA partners, working hand in hand to face the specific challenges, whether in Lebanon, Palestine, Morocco or Tunisia. This highlights **the strong need for a dedicated instrument to support financial inclusion, job creation and the most vulnerable population in the region.**
- › Looking ahead, as CoopMed fund is approaching maturity, Inpulse is assessing what would be its next contribution to this cause close to its heart, particularly in a period where MENA region shows a “strong entrepreneurial spirit” and “robust business growth optimism” (Magnitt, 2024).

Impact outcomes & SDGs



Portfolio for income-generating activities
68%



Jobs created/maintained
43,233



New business created/maintained
10,766

- Loans to women clients
45%
- Women in workforce
57%
- Women in senior manager positions
47%

- Loans to rural clients
30%
- Loans for agriculture/livestock
17,531
- Portfolio on sustainable agriculture
30%

- Active clients
67,071
- Bottom of the Pyramid (loans < GNI p.c.)
55%
- Loans to unbanked people
27,187

- Youth (<35) financed
19,263
- Loans to finance micro-enterprises
78%
- Policies and strategies for client protection and transparency
100%

- Investees having an environmental exclusionary list
80%
- Investees monitoring internal ecological footprint
78%

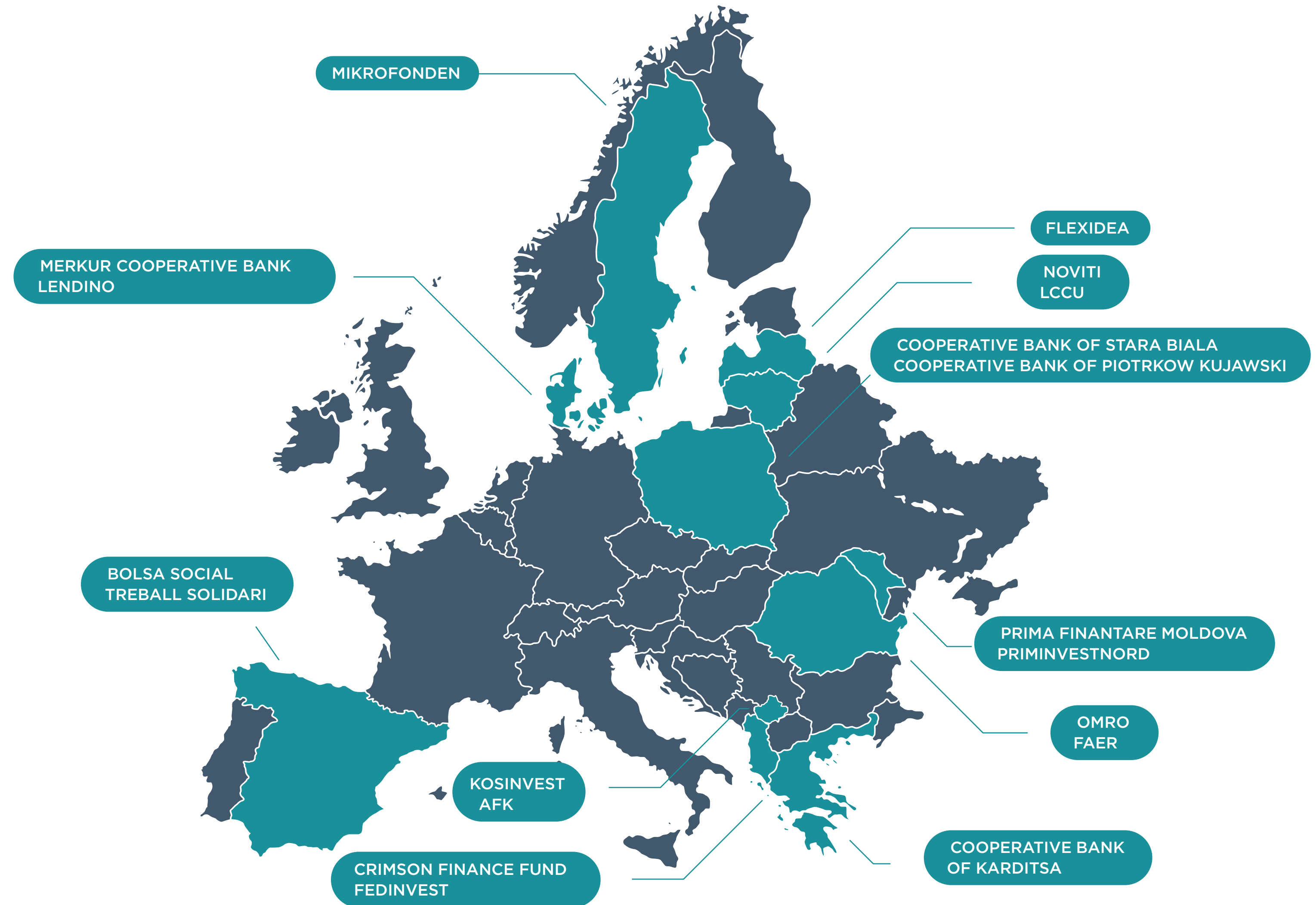
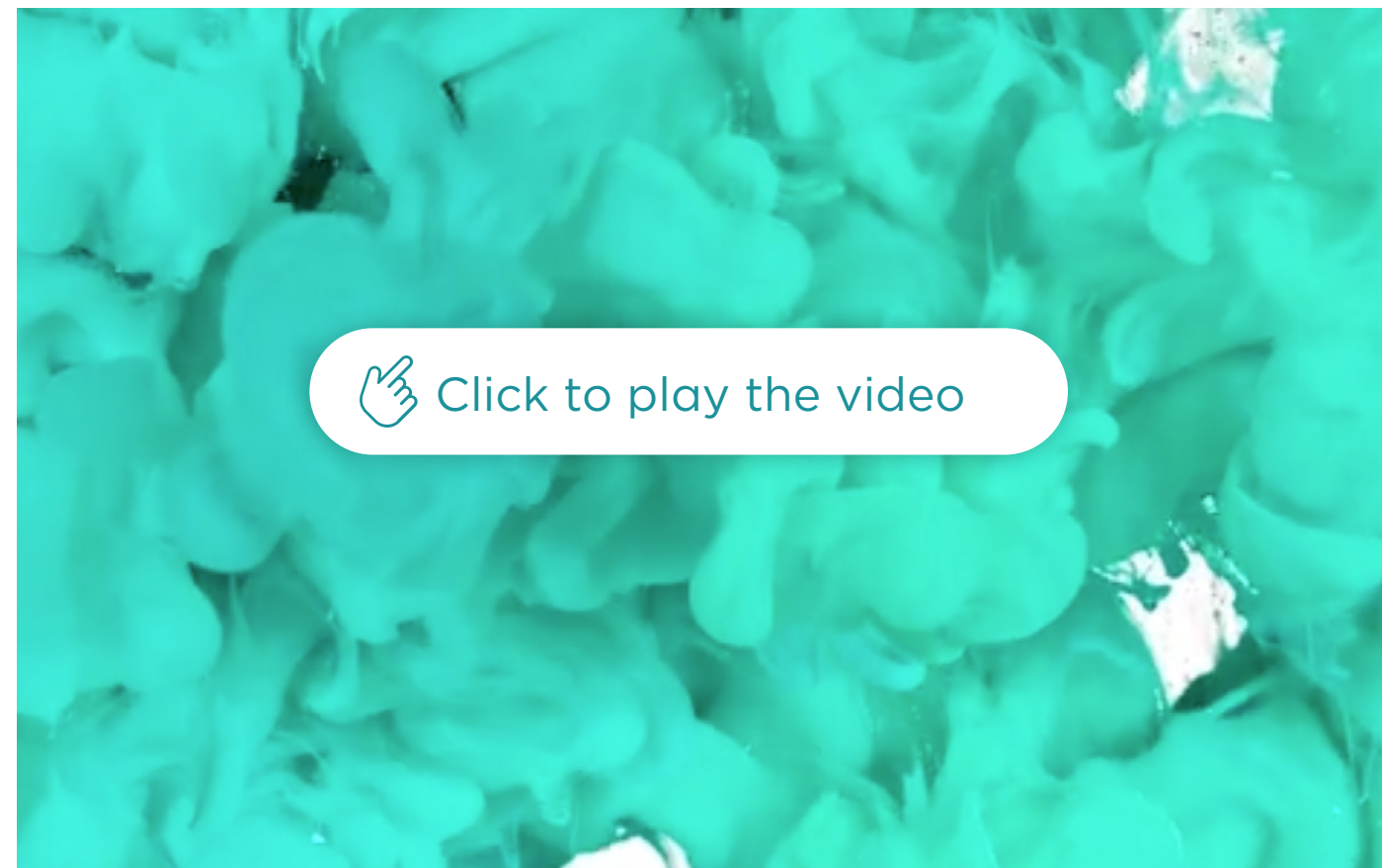
- Number of Green loans (green housing, green agriculture, environmental products and RE/EE)
13,925
- Investees carrying out projects to develop green financial products
80%



Helenos

HELENOS

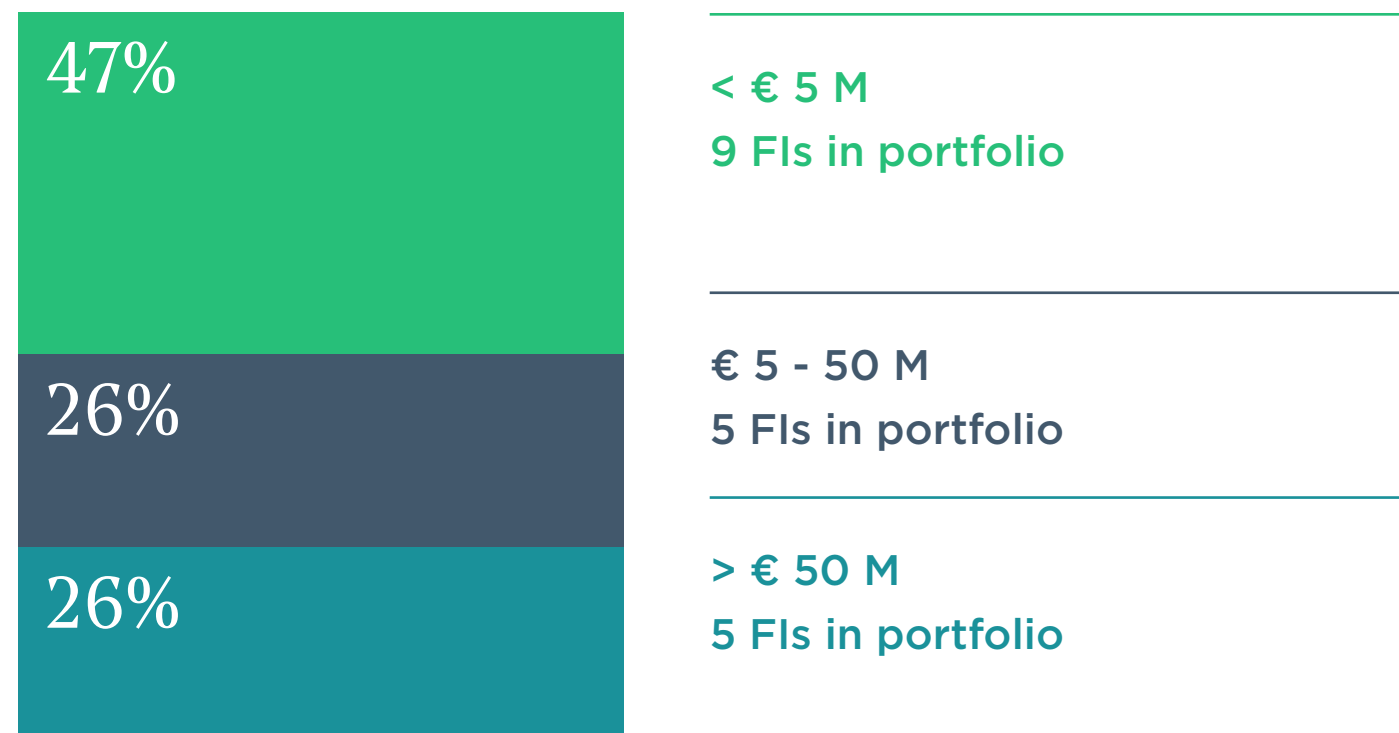
It has been already 5 years that Helenos has been created. Its original objective was to **broaden the financial sector in Europe**, make it more inclusive, with a gender lens and climate friendly strategy. Helenos is a tool to **improve access to affordable** finance to excluded micro and social entrepreneurs, through the support of small financial intermediaries.



Key facts



Portfolio at time of disbursement



+ 93%

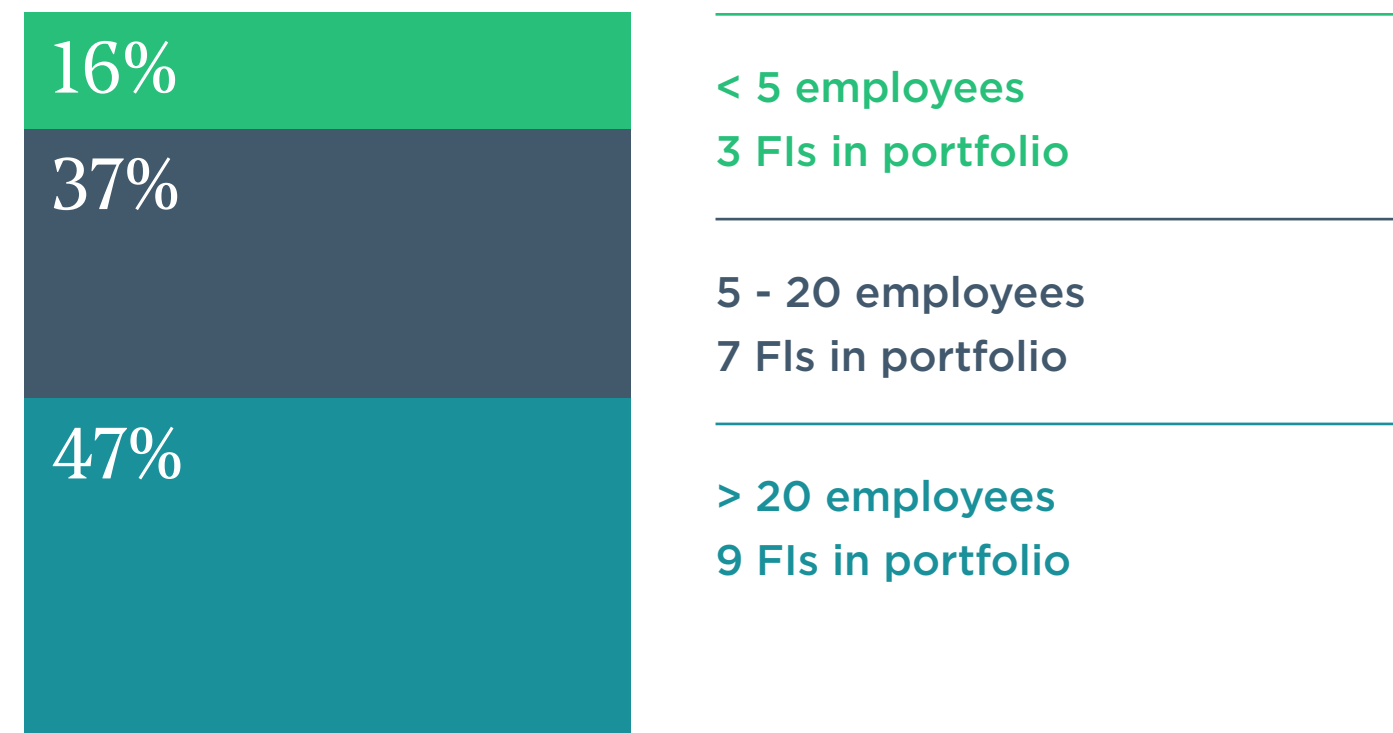
Average portfolio growth rate
between investment & Q4 '23

€ 42%

of the investments, Helenos
has been the first
institutional investor.



Staff number at time of disbursement



5,7%

Average PAR 30
Q4'23

19

financial intermediaries
in 11 countries



Clients number at time of disbursement



+69%

Average clients growth rate
between investment & Q4 '23

Impact outcomes & SDGs



Portfolio for income-generating activities
52%



Jobs created/maintained
54,819



New business created/maintained
7,432



Portfolio to women clients
32%



Women in workforce
60%



Women in senior manager positions
53%



Loans to rural clients
56%



Loans for agriculture/livestock
21,158



Loans to smallholder farmers
3,037



Active clients
79,608



Bottom of the Pyramid (loans < GNI p.c.)
72%



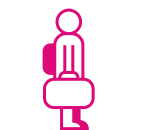
Loans to unbanked people
21,220



Youth (<35) financed
9,754



Loans to finance micro-enterprises
52%



Immigrants/ethnic minorities
1,088



Investees having an environmental exclusionary list
81%



Investees monitoring internal ecological footprint
56%



Number of Green loans (green housing, green agriculture, environmental products and RE/EE)
3,716



Investees carrying out projects to develop green financial products
44%



Impakt EU

IMPAKTEU

Presentation & key figures

- › ImpaktEU is an impact investing **debt fund** 100% dedicated to providing non-dilutive solutions to impact transformers in Europe.
- › The latest Fund in the Inpulse galaxy has been created in Q4 2022 in partnership with [Funds for Good](#) with the mission to direct investment and resources towards players who are tackling the **social, economic and environmental challenges** facing Europe.

Vision & mission

- › Europe is faced with social **inequalities and environmental challenges**, accentuated by difficulties in accessing credit, resulting in considerable financing shortfalls for the most vulnerable populations and the social businesses supporting them. In **Belgium** only the shortfall in microfinance offer is estimated to be 30 to 50 time the actual offer. According to the last European Microfinance Network study the need for financial services to the most vulnerable in Europe is estimated in billions.
- › By making the European financial and social ecosystem more inclusive and environmentally sustainable, ImpaktEU believe in positive and **lasting societal change**. By channeling more funds to impact investing ImpaktEU is leveraging the power of networks to consolidate and broaden the societal impact generated.



Building a platform of responsible investors and financial institutions



Stimulate job creation and make economic growth more inclusive



Shaping a more sustainable Europe for all, by reducing the environmental footprint of our society



Develop a new generation of social entrepreneurs bringing disruptive models and innovative solutions

Impact Thematics



SUSTAINABLE & AFFORDABLE

REAL ESTATE

Access to housing, third-places, renovation of buildings, energy optimization



SUSTAINABLE & AFFORDABLE

FOOD

Sustainable production, processing and distribution, access to quality food for all, food-related health issues, etc..



INCLUSION

SOCIAL AND PROFESSIONAL

Helping the most vulnerable citizens to access employment and financial services



SUSTAINABLE

MOBILITY

Improve access to low-carbon mobility solutions, public transport, shared vehicles, non-thermal two-wheelers, etc.



RELOCATION

SHORT SUPPLY CHAIN

Solutions to (re)create local economic activities that respects the environment and people, local symbiotic projects.

Theory of Change



[click to read the ToC](#)

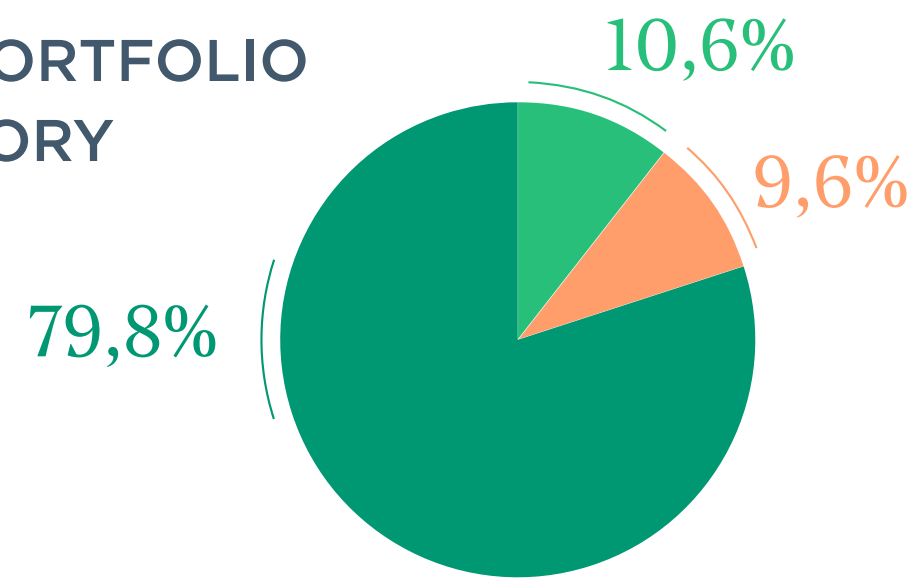
IN PARTNERSHIP WITH



Funds For Good is a Brussels based company who believe on a model of **reasoned capitalism**: FUNDS FOR GOOD IMPACT, is active in the financing and support of social entrepreneurs or those in precarious situations via loan of honor and is financed by FUNDS FOR GOOD INVEST, creator of sustainable investment funds, which returns the profits it generates through this activity. This is the choice of the founders of FUNDS FOR GOOD who believe that **profit is a means of carrying out a project that goes far beyond the aim of enrichment of the shareholders of the company**. Funds For Good is Impakteu Fund advisor and Inpulse is the Fund manager and AIFM.

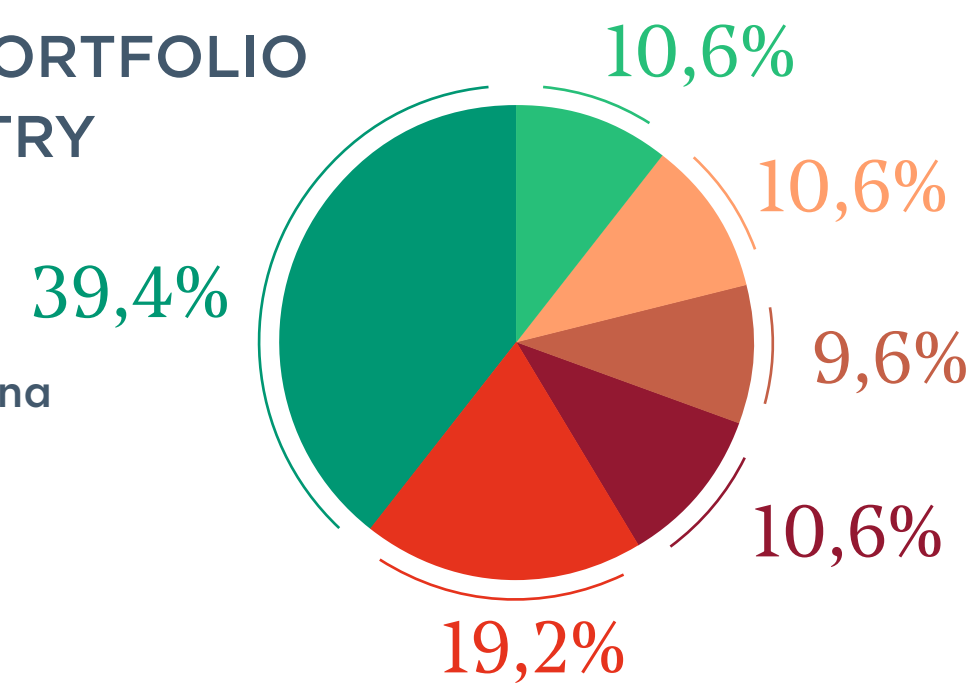
OUTSTANDING PORTFOLIO BY CATEGORY

- MFI
- Cooperative banks
- Social enterprise



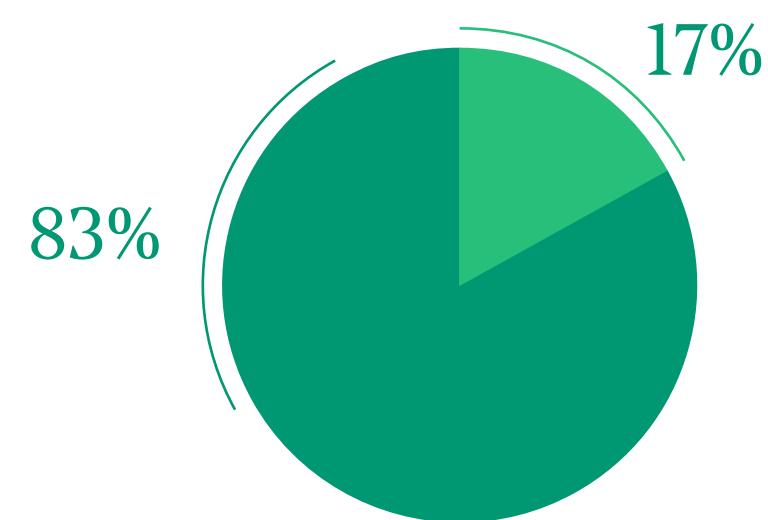
OUTSTANDING PORTFOLIO BY COUNTRY

- Romania
- Albania
- Bosnia and Herzegovina
- France
- Greece
- Kosovo



OUTSTANDING PORTFOLIO BY TYPE

- Senior
- Subordinated



15.358.000 EUR
Total investment capacity as 31/12/2023

4.700.000 EUR
Outstanding portfolio

5 400 000 EUR
Committed portfolio

7
Clients

6
Countries

587.500 EUR
Av. Ticket outstanding

8
Active investments

6.407 EUR
Average loan to microentrepreneur

Client stories

BELLEVILLES - FRANCE - SOCIAL REAL ESTATE

Bellevilles (BLV) was launched in 2019 as **real estate company** that aims to put real estate **at the service of socially useful projects** bringing and supporting essential activities to the edges of metropolitan areas and into rural areas.

Bellevilles operates in the **outskirt and in medium-sized towns**, outlying districts or densely populated district urban centers. The objective is to combat the pressure on property grounds and rehabilitates sites in these areas to develop mixed-use projects that benefit local people and communities. As of now, more than **75% of projects are in disadvantaged areas** - QPV (Quartier Prioritaire de la Ville) or ACV (Action Cœur de Ville).

ImpaktEU joined an issue of EUR 3 million bonds with other lenders (Caisse des Dépôts, MAIF and INCO) with the purpose of supporting the Bellevilles activities in accessing new properties for community projects committed to **the ecological, social and cultural transition**; rehabilitating the existing heritage to provide quality, affordable and environmentally friendly housing and shops; and so encouraging local economic development in socially deprived districts.



[Website](#)

Client stories

FARM FOR GOOD – BELGIUM – SUSTAINABLE FOOD & RELOCATION

Created in 2020, Farm for Good is a **cooperative** social business supporting and empowering farmers in Belgium by **fostering local agricultural networks** and providing systemic assistance to farmers looking to transition towards more sustainable agricultural practices. Farm for Good focuses on **revitalizing farming practices** as well as creating a more sustainable and rewarding environment for farmers. The organization operates as a cooperative working collaboratively with farmers as well as industrial partners. The cooperative pre-finances the harvests and enables farmers to find commercial outlets at a fair and stable price for their efforts, while helping industrials transition towards local sourcing. As of December 2023 Farm for Good brings together **73 Belgian farms** covering around **630 hectares**. Its customers include Puratos, AB InBev, Meurens Natural, Copains.group - Belgian bakery, Les Tartes de Françoise, La Biscuiterie Namuroise, MAD LAB, Bister and Maison Dandoy. In total 6 agricultural supply chains are already developed.

Farm for Good is ImpaktEU first investment in Belgium and in the smart agriculture thematic with a seasonal loan of 300 000 EUR.



[Website](#)

Impact outcomes & SDGs



Portfolio for income-generating activities
76%



Jobs created/maintained
35,740



New business created/maintained
67%

Portfolio to women clients
13,884

Women in workforce
48%

Women in senior manager positions
46%

Loans to rural clients
52%

Loans for agriculture/livestock
12,118

Loans to smallholder farmers
2,781

Active clients
43,825

Bottom of the Pyramid (loans < GNI p.c.)
83%

Loans to unbanked people
12,682

Youth (<35) financed
6,072

Loans to finance micro-enterprises
67%

Policies and strategies for client protection and transparency
100%

Investees having an environmental exclusionary list
75%

Investees monitoring internal ecological footprint
62%

Number of Green loans (green housing, green agriculture, environmental products and RE/EE)
1,563

Investees carrying out projects to develop green financial products
75%



SUSTAINABLE
DEVELOPMENT
GOALS

- **Part three**
FUNDS MANAGED AS AIFM*

* Alternative Investment Fund Management

FEFISOL 2

2023 was the **first full year of investment operations for Fefisol II**. Since inception to December 2023, Fefisol II provided financing up to 30 entities. It could finance both MFIs and Agricultural Entities in 13 countries.

Inpulse is holding the role of **AIFM and Fund Manager in FEFISOL II**. As such, its role covers the risk management, compliance and reporting duties as well as investment decision making. This year of hands-on experience in Sub-Saharan Africa enabled Inpulse to make the following observations:

- › **Regulatory environment** of countries of operations varies significantly in maturity, both in microfinance and agri-finance, with frontrunners having enabling and flexible framework on one hand and countries suffering from complex regulations on the other. Hence regular legal framework monitoring was key to ensure security of investments.
- › Government support was stronger in **specific value chains** (such as coffee, cocoa) bringing a source of stability to agricultural entities in these value chains in a context of highly volatile international markets. This aspect was key in assessing the sustainability of a given organization.
- › **High FX costs** remains in some countries a strong challenge in access to finance, particularly in Sub-Saharan Africa with cases whereby an MFI would put on hold a transaction for few months due to inaccessible financing costs. Dedicated support to bear FX risks remains crucial in some countries.
- › **Value chains serving local markets face more challenges** in accessing finance than those working in export products, as they are often less structured, require financing in local currency and rely on markets more difficult to assess.
- › Besides financing, these agriculture entities - may it be cooperatives or SMEs - require support to strengthen their capacity as they (i) experience growth and (ii) have to face more and more the effect of climate

change in a region which is the least responsible for global climate change and most vulnerable to its impact (Climate Funds update, 2022).

- › **Cybersecurity** is a growing issue and requires paying particular attention to aspects related to compliance and financial flows.

Working closely with **SIDI** and **Alterfin** - investors and advisors to the fund as well as long term experts of investing in the region - in this year of deep dive in the operations of Fefisol II enabled Inpulse to develop a well-grounded knowledge of operating in SSA and strengthen its risk matrix in financing both microfinance institutions and agricultural entities. It also, if need be, strengthened our willingness to contribute to facilitating access to finance to vulnerable populations in African soil.

Fund Promoters

Sidi Solidarité Internationale
pour le Développement
et l'Investissement

alterfin 

Key Figures

25.425.000 EUR
Total investment capacity as 31/12/2023

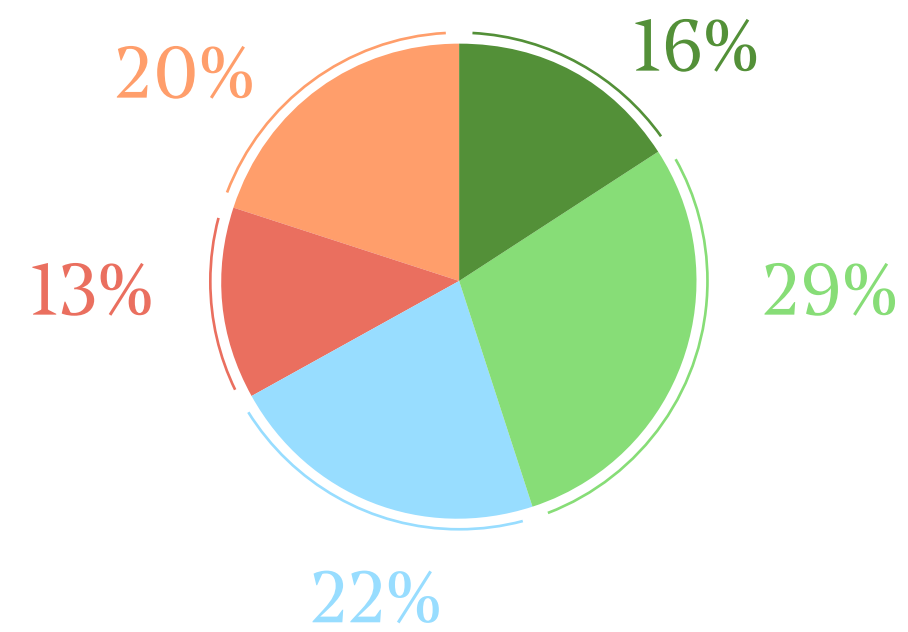
17.557.059 EUR
Outstanding portfolio

650.261 EUR
Committed portfolio

27
Countries

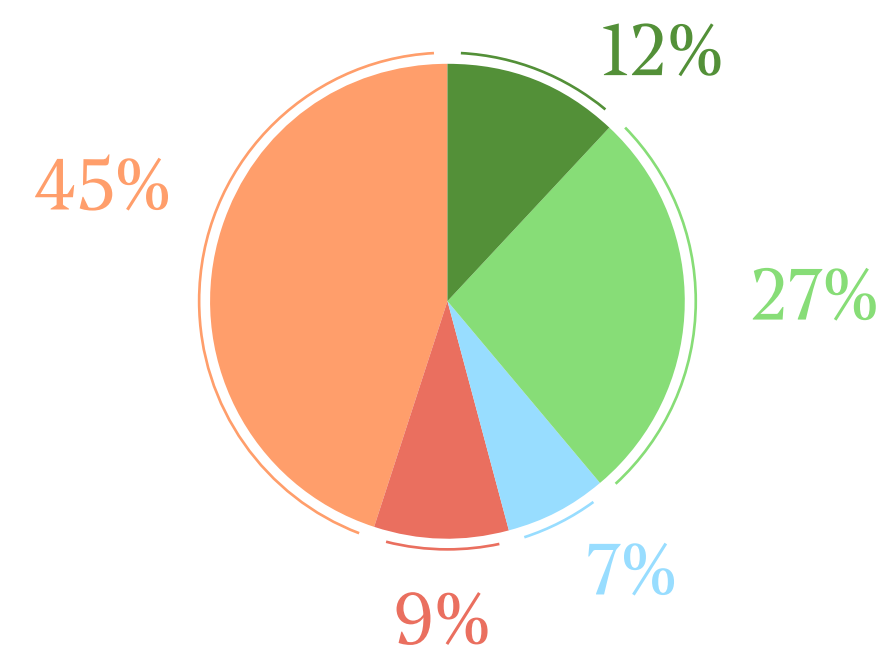
12
Clients

PORTFOLIO PER SECTOR



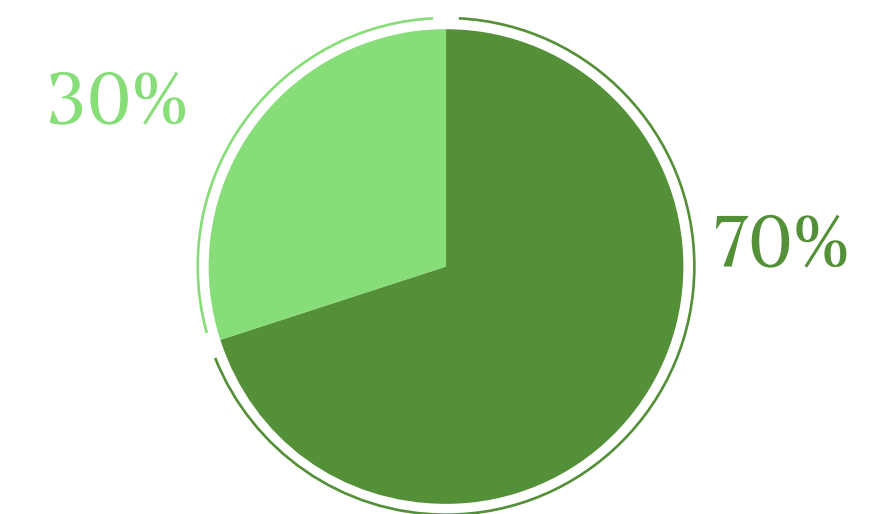
- MFI Tier 1
- MFI Tier 2
- MFI Tier 3
- Agricultural Cooperatives
- Agribusiness

PORTFOLIO BY GEO TARGET



- Central Africa
- East Africa
- Southern Africa
- North Africa
- West Africa

PORTFOLIO BY TARGET



- Rural
- Urban

Client stories

ABAKUNDAKAWA - agricultural entity

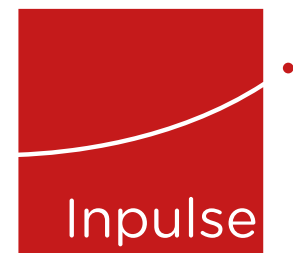
Rwanda

The Abakundakawa **cooperative** was set up in 1999 on the initiative of **367 coffee growers** in the Rushashi area of **Rwanda**. Abakundakawa is dedicated to the purchase and processing of Arabica coffee cherries into green coffee. The cooperative, which initially exported one container, has gradually increased the volumes to export 19 containers in 2022, representing a turnover of EUR 2.5 million. Abakundakawa's mission is to encourage economic activity in the Rushashi and Minazi area, where poverty levels are higher than the national average. As it is generally the case in Rwanda, **Abakundakawa members have small plots of land (2 ha)**, of which an average of around 20% is devoted to growing coffee. The cooperative is **certified organic and fair trade**.

FEFISOL II has provided ABAKUNDAKAWA a 300 000 USD credit line for the coffee season 2023, enabling the cooperatives to purchase the coffee cherries from its members and export them. ABAKUNDAKAWA has been a partner of SIDI and FEFISOL since 2016.



[Website](#)



Investment Manager. Positive Change.

WE HAVE MOVED!

New address

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1050 Brussels – Belgium

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www.inpulse.coop

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