
2023 IMPACT REPORT



DEVELOPING
WORLD
MARKETS



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About Developing World Markets



Our Mission:

Developing World Markets (DWM) seeks investible solutions that sustainably address the social, environmental, and economic needs of the developing world. Our staff, investors, and partners, share a common purpose: to use impact investing to build inclusive, resilient, economically strong, and environmentally sound communities around the world.

Impact Investing with Competitive Returns:

DWM is dedicated to making impact investments that seek risk-appropriate returns for our investors while obtaining measurable social and environmental benefits in the markets where we invest.

Exclusive Focus on Emerging and Frontier Markets:

For over twenty-five years, DWM has exclusively focused on investing in emerging and frontier markets and to date has made investments in over 60 countries.

Global Presence:

Headquartered in the United States, DWM has a branch office in the Republic of Georgia and team members located throughout Africa, Asia, Europe, and Latin America.

A History of Catalyzing Impact:

DWM began impact investing in 1999 and shifted exclusively to impact investments in 2004. By partnering with some of the world's largest institutional investors, DWM has invested or arranged nearly \$2.5 billion in financing for more than 250 environmentally and socially positive companies.

Multisector Impact Strategies:

Starting in 2016, DWM launched a groundbreaking structured product in the off-grid renewable energy space and has since launched multisector funds that can invest in a broad range of impact sectors outside of financial inclusion including renewable energy, sustainable agriculture, water and sanitation, and healthcare.

Recognition:

In 2022, DWM was recognized by Impact Assets as an IA 50 Emeritus Manager, in recognition of our contributions to the impact investing industry and selection as an IA 50 Manager for more than five years.

Partnerships for Impact:

DWM has been a member of the Global Impact Investing Network since 2013 and a signatory to the UN Principles for Responsible Investment since 2009. In 2019, DWM signed on to the Operating Principles for Impact Management and in 2022, released its third set of disclosures. In 2023, DWM became a member of 2X Global, a practitioner group to advance gender equity through investments. DWM provides ongoing support to our portfolio companies in partnership with leading industry specialist organizations on a range of issues including resilience, gender equity, and climate change adaptation and mitigation.

Net Zero:

DWM believes that impact investing must be conducted in a sustainable manner and that all impact investing should be carbon neutral. This core principle led DWM to become a signatory to the Net Zero Asset Managers Initiative. In keeping with the initiative, DWM has begun tracking portfolio emissions and evaluating systematic methods of reduction and mitigation to achieve a carbon-neutral portfolio.

KMC/MT/19

Management Note

DWM's investments support inclusive companies that help lower-income people around the world realize economic potential and build resilience to the inevitable disruptions to their incomes and costs.



Dear Readers,

2022 was a year of both substantial growth opportunities and macroeconomic challenges in the emerging and frontier markets where DWM invests. For example, India overtook the United Kingdom as the fifth largest global economy and surpassed China in terms of population, indicating how far emerging market economies have progressed this century. In some ways, emerging markets are more insulated from recessions triggered by inflation than economically advanced countries since they have not benefitted as much from or been as dependent on the expansionary fiscal policies of the past decade and the resulting asset price appreciation.

And yet, steep global inflation has dampened demand across many emerging markets, putting pressure on both incomes and costs for the people and businesses that DWM's portfolio companies serve. Lower-income people in particular are harder hit by shortages and price increases. The war in Ukraine caused massive ripple effects, with disruptions to production and supply chains driving food prices to record highs.

The combined growth trends and economic pressures underscore both the need and the opportunity that the impact investments made by DWM seek to address. Our investments support inclusive companies that help lower-income people around the world realize economic potential and build resilience to the inevitable disruptions to their incomes and costs.

In this report, you will find the results of our investments in terms of who was reached, with what kinds of products and services, and how those

results compare to DWM’s goals, available industry benchmarks, and the scale of change needed according to the Sustainable Development Goals. These points of comparison are critical to the transparency DWM seeks to provide to our stakeholders.

This past year, stakeholders renewed their emphasis on accountability for the social and environmental results that all investments—and especially those that claim to have positive impact—have on the world. This trend manifested in new disclosure regulations related to sustainability and industry-led efforts to develop standards for verifying impact reports. By providing greater detail on our strategic impact goals, we hope to shed more light on where we succeeded and where we fell short relative to the progress we seek.

This year’s report also highlights a story of long-term impact from an investment in our first private equity fund, Banco W in Cali, Colombia. Reflecting on a decade of engagement with this institution provides rich insights into how the success of end clients is intricately intertwined with the success of the inclusive finance institutions that serve them. It also sheds light on how mission-driven portfolio companies evolve to survive and thrive, even through unpredictable times.



Hannah Schiff
Managing Director of Impact



Hannah Schiff
Managing Director
of Impact



Peter Johnson
Co-Managing
Partner



Edward Marshall
Co-Managing
Partner



Odette Tolliver
Partner,
CFO



Brad Swanson
Partner,
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Aleem Remtula
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Courtland Walker
Partner,
Head of Products
& Partnerships



Robert Constantino
Partner,
Private Debt



Christopher Mehan
Partner,
Chief Risk Officer



Introduction

DWM aims to address the unmet needs of groups who are not well-served by mainstream financial institutions, such as women and small businesses, and whose success is crucial to enabling broader sustainable economic development.

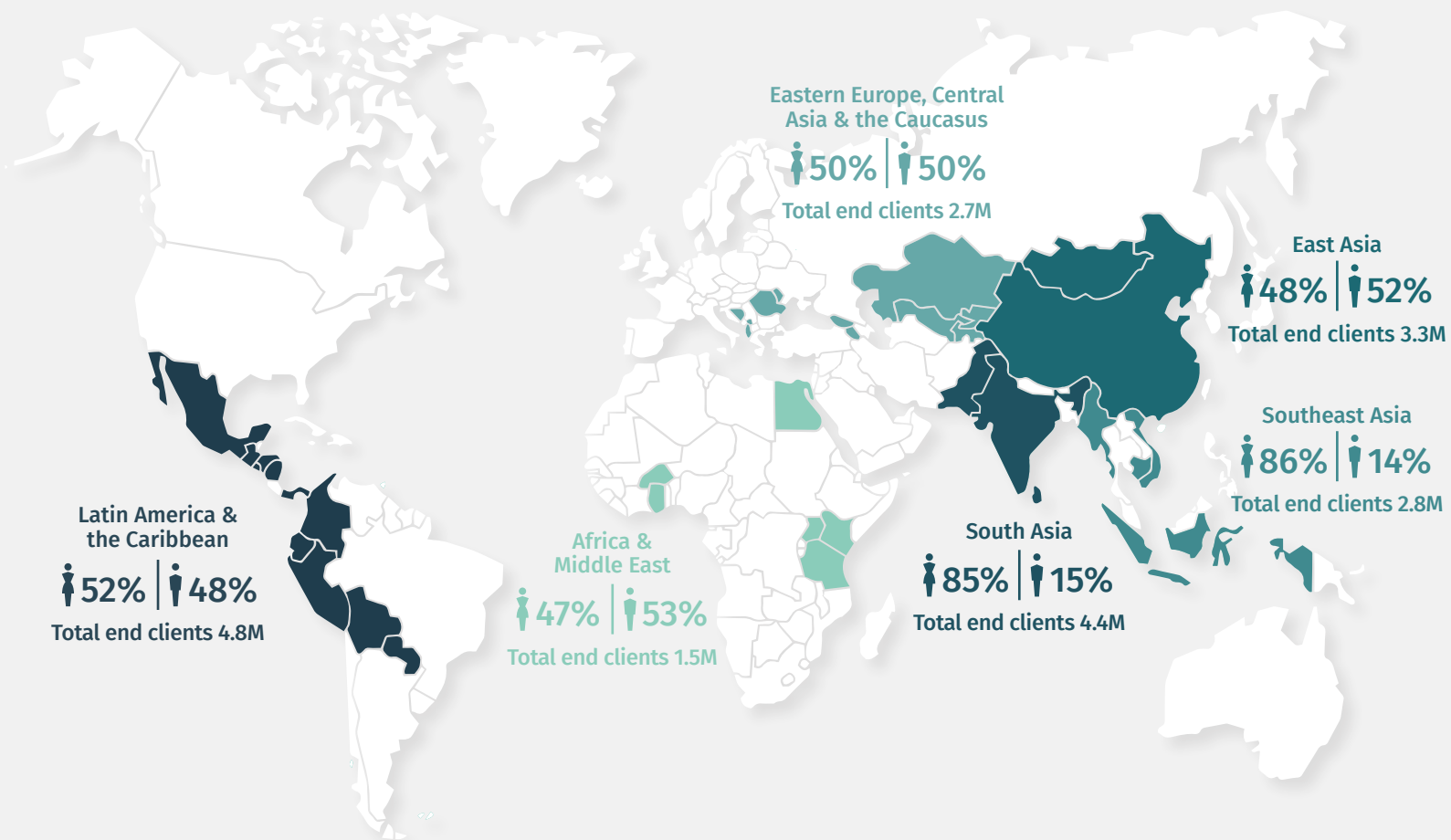
Introduction

In 2022, Developing World Markets' portfolio included 69 impact-generating companies across 37 countries in emerging and frontier markets. DWM invests directly through private debt and private equity into inclusive financial institutions to spur financial inclusion, economic development, and climate resilience. We aim to address the unmet needs of groups who are not well-served by mainstream financial institutions, such as women and small businesses, and whose success is crucial to enabling broader sustainable economic development.

DWM invested in three new countries compared to recent years: Tanzania, Uganda, and Vietnam. These countries reflect intentional regional and thematic strategies: increasing investment in sub-Saharan Africa, where the most capital is needed to achieve the Sustainable Development Goals, and investing in companies that support the transition to renewable energy, as our portfolio company in Vietnam does. This year's portfolio also reflects a nine percentage-point increase in the proportion of investments in low and lower-middle income countries.



DWM's Global Portfolio



2022 Portfolio Countries

Albania	Ecuador	Indonesia	Myanmar	Tajikistan
Armenia	Egypt	Kazakhstan	Nicaragua	Tanzania
Bolivia	El Salvador	Kenya	Pakistan	Uganda
Bosnia-Herzegovina	Georgia	Kosovo	Panama	Uzbekistan
Burkina Faso	Ghana	Kyrgyzstan	Paraguay	Vietnam
Cambodia	Guatemala	Mexico	Peru	
China	Honduras	Moldova	Romania	
Colombia	India	Mongolia	Sri Lanka	

*Bold indicates new countries in 2022

Region	# of portfolio companies	% of assets under management	Total # end clients	% women clients
Africa & Middle East	8	6%	1.5M	47%
East Asia	5	8%	3.3M	48%
Eastern Europe, Central Asia & the Caucasus	20	33%	2.7M	50%
Latin America & the Caribbean	19	24%	4.8M	52%
South Asia	9	15%	4.4M	85%
Southeast Asia	8	14%	2.8M	86%

DWM's Strategic Impact Goals

Intentionality remains a key tenet of impact investing, and measuring success against pre-determined impact objectives is a hallmark of the practice.¹ Doing so not only demonstrates intentionality but provides context and transparency for results. In this context, this year's impact results are presented by DWM's three Strategic Impact Goals and compared to industry impact benchmarks wherever available.

DWM's investments are guided by three overarching impact goals that are aligned with the Sustainable Development Goals and supported by evidence-based theories of change. Each investment is scored against a set of indicators specific to the goal to which it is most likely to make a positive contribution.



1. Enable access to responsible financial services for underserved populations



2. Contribute to quality job creation and inclusive, sustainable economic growth through small and medium-sized enterprises (SMEs)



3. Build adaptive capacity and resilience for climate-vulnerable people and mitigate further climate change

¹ Industry-consensus best practices for impact reporting are described in [BlueMark, "Raising the Bar: Aligning on the Key Elements of Impact Performance Reporting"](#).



DWM's 2022 Portfolio and the Five Dimensions of Impact

The Five Dimensions of Impact are an industry standard logic for defining and managing social and environmental impacts.

WHAT



- 69 inclusive finance institutions in the portfolio as of December 2022 (40 MFIs, 29 others including banks, SME lenders, and specialized finance institutions)

WHO



- 75% of MFI clients are poor or low-income
- 64% of individual clients are women and 34% of business clients are women-owned or women-led businesses
- 48% of clients live in rural settings

HOW MUCH



- 19.6 million total end clients were provided responsible financial services (652,000 investment-weighted)

CONTRIBUTION



- 1.6 million previously unbanked clients onboarded in 2022 (64,000 investment-weighted)

RISK



- 100% of portfolio companies comply with DWM's exclusion list, avoiding involvement in harmful sectors and activities
- 84% have ESG policies
- 78% of MFIs have implemented all eight Client Protection Standards set by Cerise/SPTF





DWM Strategic Impact Goal #1

Enable access to responsible financial
services for underserved populations

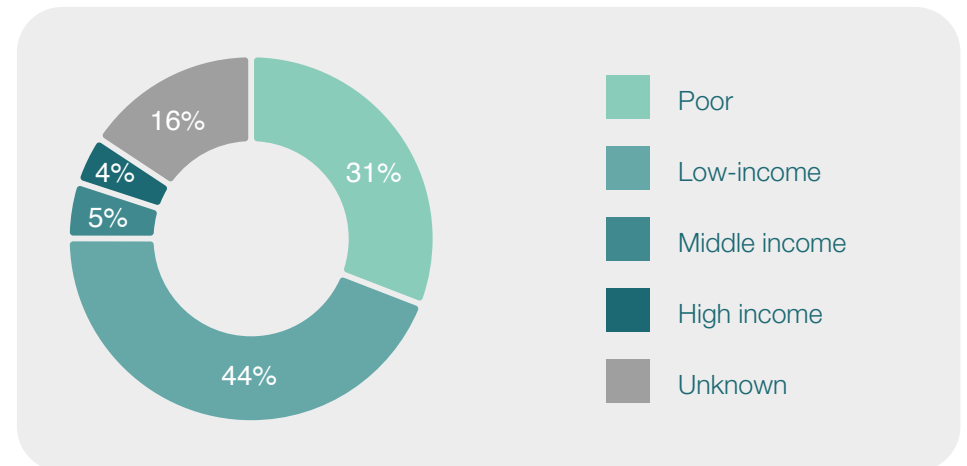
Enable access to responsible financial services for underserved populations

Enable access: DWM's capital helps meet unmet needs for affordable, high-quality, and responsibly provided financial services. This includes both new access for those who were previously unbanked and access to more abundant and appropriate services for those who are underbanked.

- **Responsible financial services:** DWM's goal is to expand the responsible provision of credit and other services (e.g., savings, insurance, payments/transfers) for individuals, households, and micro-entrepreneurs. These services enable clients to improve livelihoods and living standards and build resilience to shocks. Inclusive financial institutions must meet high standards of ethical practice and client protection to avoid potential harm for their often-vulnerable clients.
- **Underserved populations** depend on country context, but typically include people and households in countries with low financial access, women, poor and low-income people, people in rural areas, and displaced people.

In emerging and frontier markets, the traditional banking sector still does not meet the needs of many segments of the population—particularly low-income communities, people living in hard-to-reach rural areas, and women. The first strategic impact goal focuses on investments in financial institutions that help to bridge this gap through their unique business models and client-focused service provision. This section describes the indicators of positive outcomes generated by the 2022 portfolio toward this goal.

Figure 1. MFI Clients by Income Level



Across the portfolio, the majority of end clients are poor and low-income individuals, defined as earning less than two-thirds of the national median income. In particular, the microfinance institutions in the portfolio reflect this focus, with 75% of end clients in these categories. Excluding the 16% of end clients whose income levels are not tracked, this proportion increases to 89%. The pooled average loan size in this portion of the portfolio is \$1,239, reflecting the focus on clients whose needs for very small loans could not be met by traditional banks. The portfolio also includes other kinds of institutions, such as banks and SME-focused lenders. These non-MFI institutions have a different client profile, with more of an even split

between low/middle-income and high-income customers. However, across the full portfolio the majority of institutions, assets, and clients are in low and lower-middle income countries, where strengthening financial institutions plays a crucial role in enabling economic growth and stability. This is evident in the low average loan sizes even among these non-MFI institutions—\$4,831 for banks and \$8,552 for SME finance institutions.

Expanding opportunity and building resilience are the twin goals of financial inclusion. While access to credit is critical for the former, evidence points to strong positive impacts when other financial and non-financial services help with the latter.² DWM’s 2022 portfolio companies provided an average of three distinct financial products, with 56% providing any kind of non-loan product (compared to the 60 Decibels Microfinance Index figure of 46%³). And the majority (72%) provide non-financial services such as financial literacy training, entrepreneurship training, and agricultural technical assistance. These services, usually provided alongside loans, help clients make the most of their investments in income-generating activities.

“Responsible” is a key word in our objective around access to financial services. DWM’s investees adhere to high standards of customer protection for end clients, especially those serving vulnerable populations. Almost all portfolio companies (93%) regularly evaluate borrower cash flow to prevent over-indebtedness, and 80% have a policy regarding absolute indebtedness as a percentage of income. Among the microfinance institutions in the portfolio, 78% have fully implemented all eight Client Protection Standards set by Cerise and SPTF, and 58% have been independently certified for their adherence. DWM continues to support and encourage portfolio companies to make progress along the Cerise/SPTF Client Protection Pathway, including obtaining independent certification.

2 CGAP, October 2019: [“Toward a New Impact Narrative for Financial Inclusion”](#).

3 60 Decibels Microfinance Index Report, 2022 (page 22).

Figure 2. Percent of Companies Providing each Product

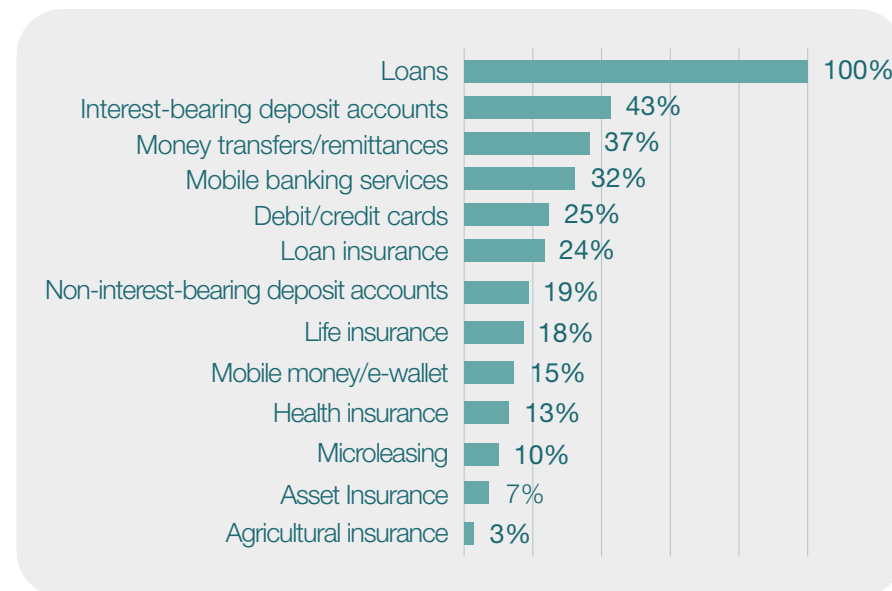
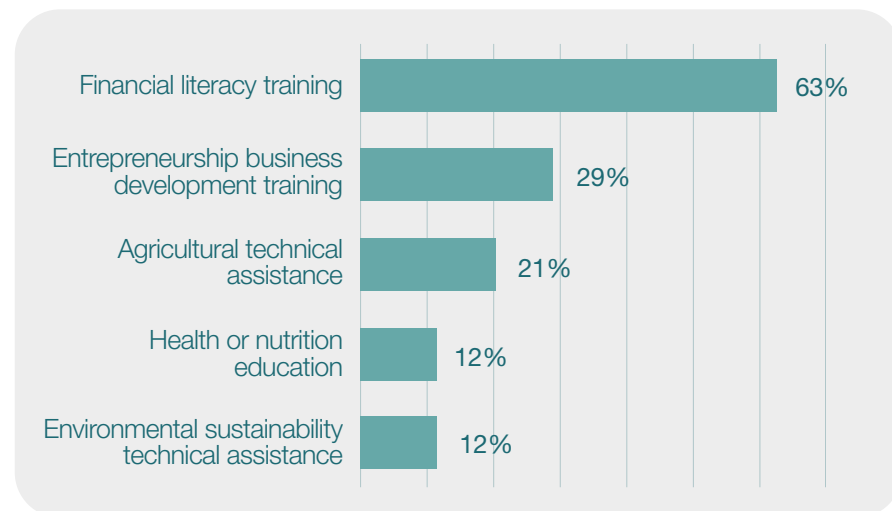
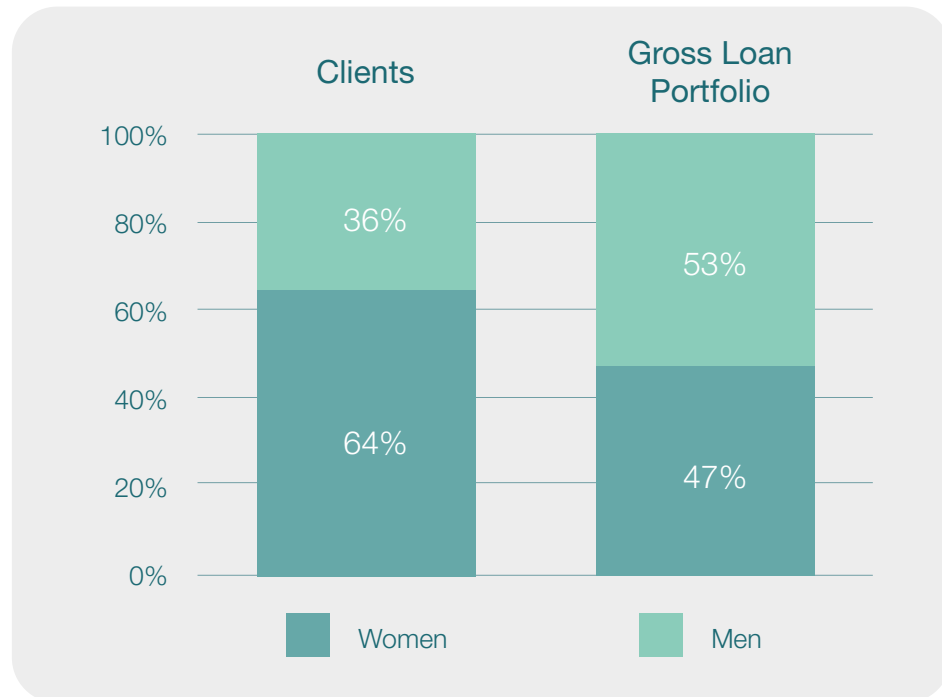


Figure 3. Percent of Companies Providing each Service



DWM embeds a gender lens across the portfolio to focus on reducing the gap in access to financial services that women face. Nearly two-thirds of the individual end clients of DWM’s 2022 portfolio companies are women, and among business clients, a third are women-owned or women-led. More than half of portfolio companies (54%) use sex-disaggregated data to understand differences in outreach and product usage between men and women, and 40% tailor products and services specifically for women’s needs. Overall, loan sizes to women are still smaller compared to men, resulting in a proportionally lower gross loan portfolio to women. This continued disparity reflects the complexity of addressing gender-based constraints, as multiple factors limit women’s income, and therefore their debt capacity.

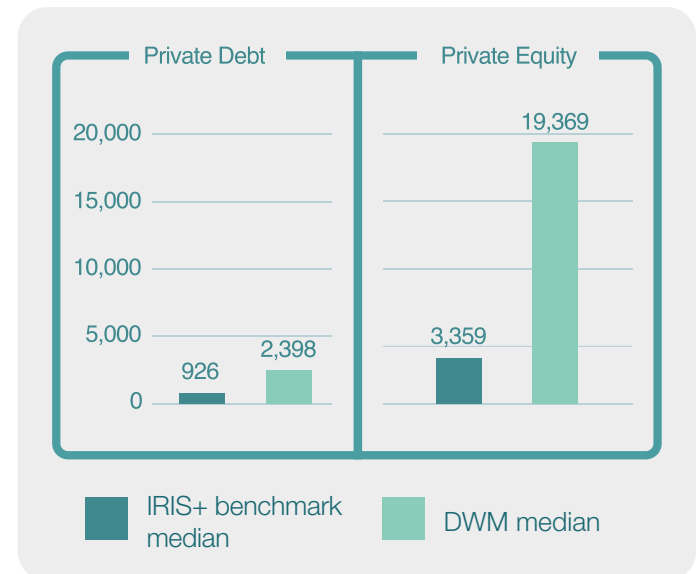
Figure 4. End Clients by Gender



Benchmarking Impact: Clients Actively Using Responsible Financial Services

For private debt, investment-weighted impact per investment on the indicator “Clients actively using responsible financial services” is more than double the benchmark median. For private equity, DWM’s impact is more than five times the median.

Number of Clients



From IRIS+ Analytics, accessed May 24, 2023

“Investment-weighted impact” scales the metrics by DWM’s share of each company’s total assets.

DWM's gender lens also considers portfolio companies themselves in terms of how gender-inclusive they are in policies, staff composition, and leadership. Eighty-eight percent of companies have workplace policies and practices that enhance gender equity, such as parental leave beyond the legally required minimum (54%), benefits to support women's career advancement (53%), flexible working policies to accommodate caregivers (41%), and documented diversity, equity, and inclusion strategies (38%), among others. The average portfolio company has 42% women on staff, 31% women in senior management, and 20% women board members.

Compared to the 2X Challenge Criteria,⁴ DWM's 2022 portfolio is well above the threshold of 30% of investees meeting at least one criterion, with more than half meeting three of the four criteria (data is unavailable for the fourth). As shown in the following graphic, 63% of companies meet the Leadership criteria (30% in either the senior management or the board), and 56% meet the Employment criteria (at least 40% women on staff and one quality indicator). Half of companies disproportionately serve women clients and, as noted above, 40% tailor products and services to specifically benefit women. For information about DWM's institution-level alignment, see [DWM Gender Lens Investing Approach](#).

Alignment with 2X Challenge Financing for Women Criteria

	Criteria for each Investment/Portfolio Company	Threshold per Company	Share of 2022 Portfolio Companies Aligned
1	Entrepreneurship		
	1A. Share of women ownership	51%	Data not available
	OR		
	1B. Business founded by a woman	Y/N	
2	Leadership		
	2A. Share of women in senior management	30%	63%
	OR		
	2B. Share of women on the Board or Investment Committee	30%	
3	Employment		
	3A. Share of women in the workforce	40%	56%
	AND		
	3B. One "quality" indicator beyond compliance	Y/N	
4	Consumption		
	4. Product or service specifically or disproportionately benefits women	Y/N	50%

⁴ The 2X Challenge was launched in 2018 by development finance institutions to encourage investors to deploy capital toward women's economic empowerment. The initiative provides a set of minimum criteria to determine whether an investment contributes to gender equality goals.



Case Study

Banco W

Over the decade of DWM's investment, Banco W grew its client base by 64%, while maintaining a majority of women clients and a focus on self-employed microentrepreneurs.

Banco W
Cali, Colombia

Realizing Impact and Value: Banco W Case Study

In 1980, a group of businesswomen in Colombia founded an affiliate of the Women's World Bank International Network, Fundación WWB Colombia. Forty years later, Banco W carries on this mission as a formal bank and one of the largest and most wide-reaching players in the Colombian microfinance market. The intervening years, and especially the last decade, have seen tremendous transformation for the entity.

Fundación WWB Colombia began providing credit to women heads of households with scarce resources, with the aim of enabling them to participate in the country's growing economy. By the late 2000s, the organization realized that to achieve their desired level of growth and meet their clients' needs for service quality and product variety, they would need to make some serious changes. For one thing, they needed to become a regulated bank.

In 2010, to support this bank transformation process, DWM invested \$12.5 million for a minority ownership stake and representation on the board, alongside two other investors with expertise in financial inclusion. This external investment came alongside new leadership to shepherd the transformation into a bank in 2011. The ensuing shifts in expertise, management style, incentives, and culture helped to increase motivation, morale, and efficiency at Banco W. The changes also enabled the organization to offer savings and to finance productive assets and to enhance customer service.

Over the decade of DWM's investment, Banco W grew its client base by 64%, while maintaining a majority of women clients (58%) and a focus on self-employed microentrepreneurs. Half of clients have a middle school education or less. Banco W is now active in 30 out of Colombia's 32 departments. The bank has increased its reach to remote areas, even serving some clients in places that are accessible



only by boat. Internally, the bank has seen a positive trend in gender parity, with 60% women loan officers and staff, 50% of managers and 44% of board members.

Banco W's expanded product line includes insurance policies with proactive service. After an insurable event such as a storm, the bank calls clients to see who was affected and can make payouts based on photos they send in. In the aftermath of a catastrophe, this approach can make a big difference in getting the funds to rebuild in a timely and efficient manner.

Building on this history, Banco W continues to look to the future. A recently created innovation unit uses human-centered design to better understand clients. The bank plans to evolve to meet the expectations of the growing proportion of millennials and Gen X clients with new technology-enabled services and build retirement products to encourage long-term financial health. As DWM exits this investment, we look forward to seeing the continued success of Banco W and its clients.

Figure 5. Evolution of Banco W's Reach and Impact

	Initial Investment: 2010/11	End of 2022
Number of branches	100	146
Number of clients	203,726	333,000
Percent rural clients	0%	14%
Products offered	Loans	Loans, savings, insurance, remittances
Number of employees	1,465	2,118
Impact and ESG management	Focused on granting credit to microentrepreneurs, especially women	Maintain mission of serving microentrepreneurs and have expanded sustainability mandate: <ul style="list-style-type: none"> • Published first sustainability report in 2015 • Continual upgrades and alignment with international standards, including the SDGs • Every two years, re-define what is material and set indicators and targets for material issues



DWM Strategic Impact Goal #2

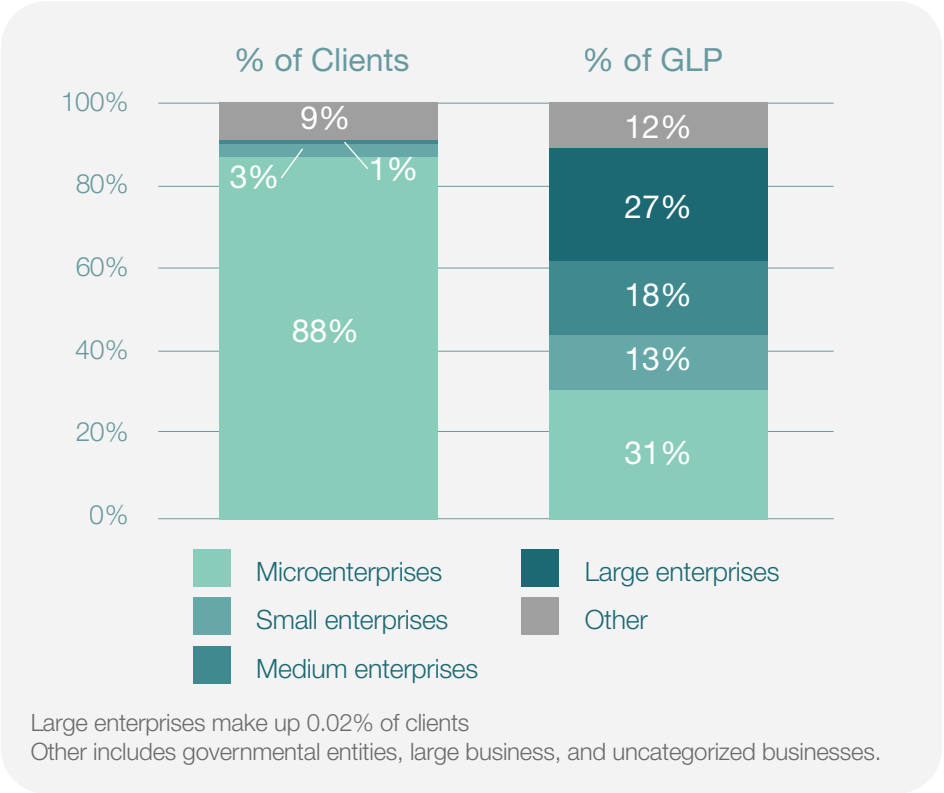
Contribute to quality job creation and inclusive,
sustainable economic growth through small
and medium-sized enterprises (SMEs)

Contribute to quality job creation and inclusive, sustainable economic growth through small and medium-sized enterprises (SMEs)

- Quality job creation:** DWM seeks to help close the credit gap for SMEs, enable them to grow and create jobs that offer an array of advantages associated with formal employment, such as stable incomes, safe work environments, skill building, and other benefits.
- Inclusive, sustainable economic growth:** DWM expands opportunity through growth that is broad-based (cutting across sectors and segments of society) and environmentally sustainable (both mitigating harm and contributing to solutions). SMEs contribute to economic growth by raising productivity through technological upgrading, promoting human capital development, paying taxes, and potentially increasing foreign exchange flows through exports. They can also provide needed goods and services to underserved people.

Micro, small, and medium-sized enterprises (MSMEs) are widely seen as the “engine of growth” in emerging and frontier markets, often accounting for the majority of businesses and the fastest expansion in jobs. For economic growth to lift the living standards and well-being of large segments of the population, it must be broadly distributed across sectors and businesses of various types. Businesses at the smaller end of the spectrum face multiple constraints to accessing the financing they need to grow—from risk perceptions to collateral requirements and high lending rates for smaller ticket sizes. DWM’s portfolio companies address these barriers with financial products developed specifically for the MSME segment.

Figure 6. Business Clients by Type



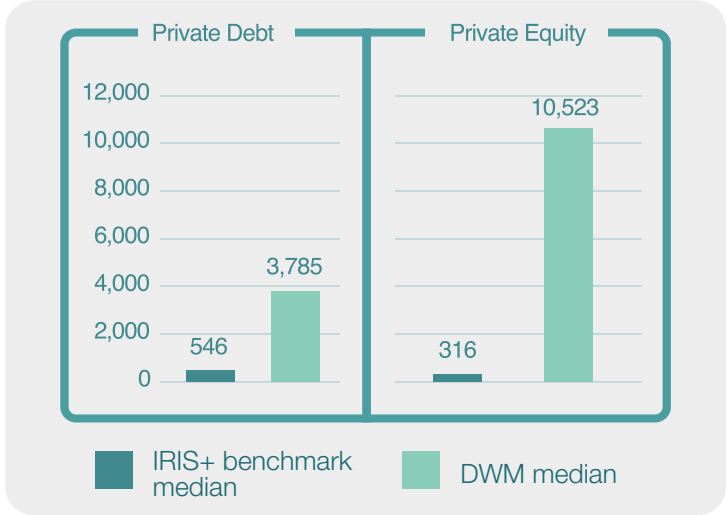
The 26 portfolio companies that provided data on the number of jobs supported at financed businesses reported a total of 1.9 million jobs at their client organizations. The 20 companies that systematically track revenue growth of their clients reported an average of 18% annually. The portfolio companies themselves directly added a net of more than 6,800 employees during the year.



Benchmarking Impact:
MSMEs Financed Responsibly

DWM’s investments through both private debt and private equity outperformed the GIIN benchmarks for investment-weighted average numbers of MSMEs financed responsibly.

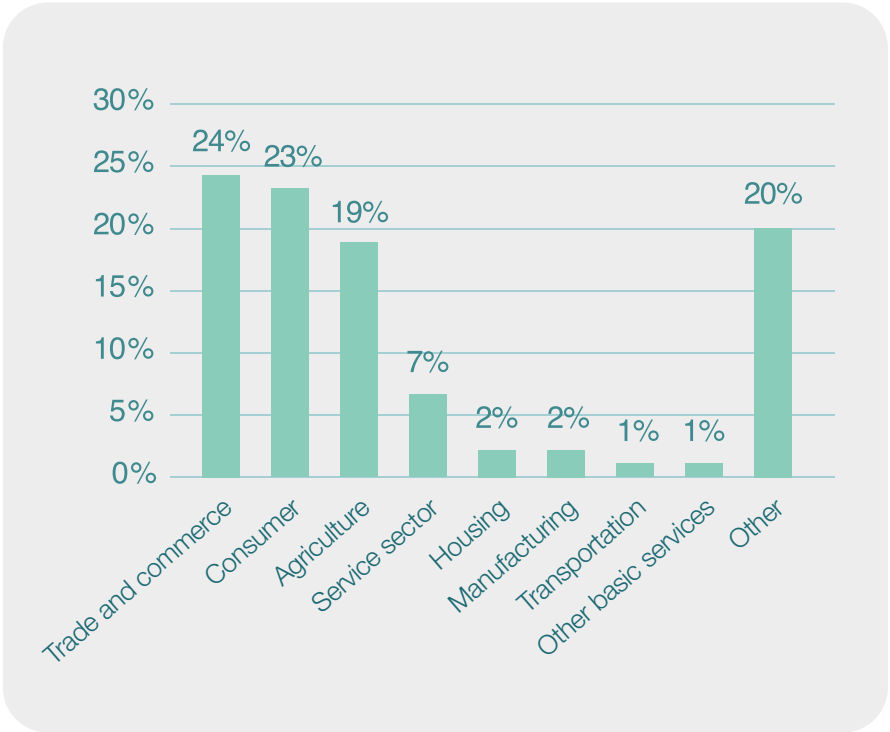
Number of MSMEs Financed



From IRIS+ Analytics, accessed May 24, 2023
“Investment-weighted impact” scales the metrics by DWM’s share of each company’s total assets.

The loans provided by portfolio companies were predominantly used for productive purposes, such as for working capital for small retail businesses and to finance agricultural activities (52% of portfolio companies serve smallholder farmers as part of their client base). The minority (23%) of loans used for consumption purposes can also play an important role in financial inclusion, by smoothing income and covering basic household needs for people with uneven cashflows (a common issue faced by micro and small business owners).

Figure 7. Loans by Purpose





Case Study

NeoGrowth

NeoGrowth is an Indian NBFC that tailors its financial services to the needs of micro, small and medium-sized enterprises with a focus on first-generation entrepreneurs and women.

Hemant Ankush Dangle
Mumbai, India

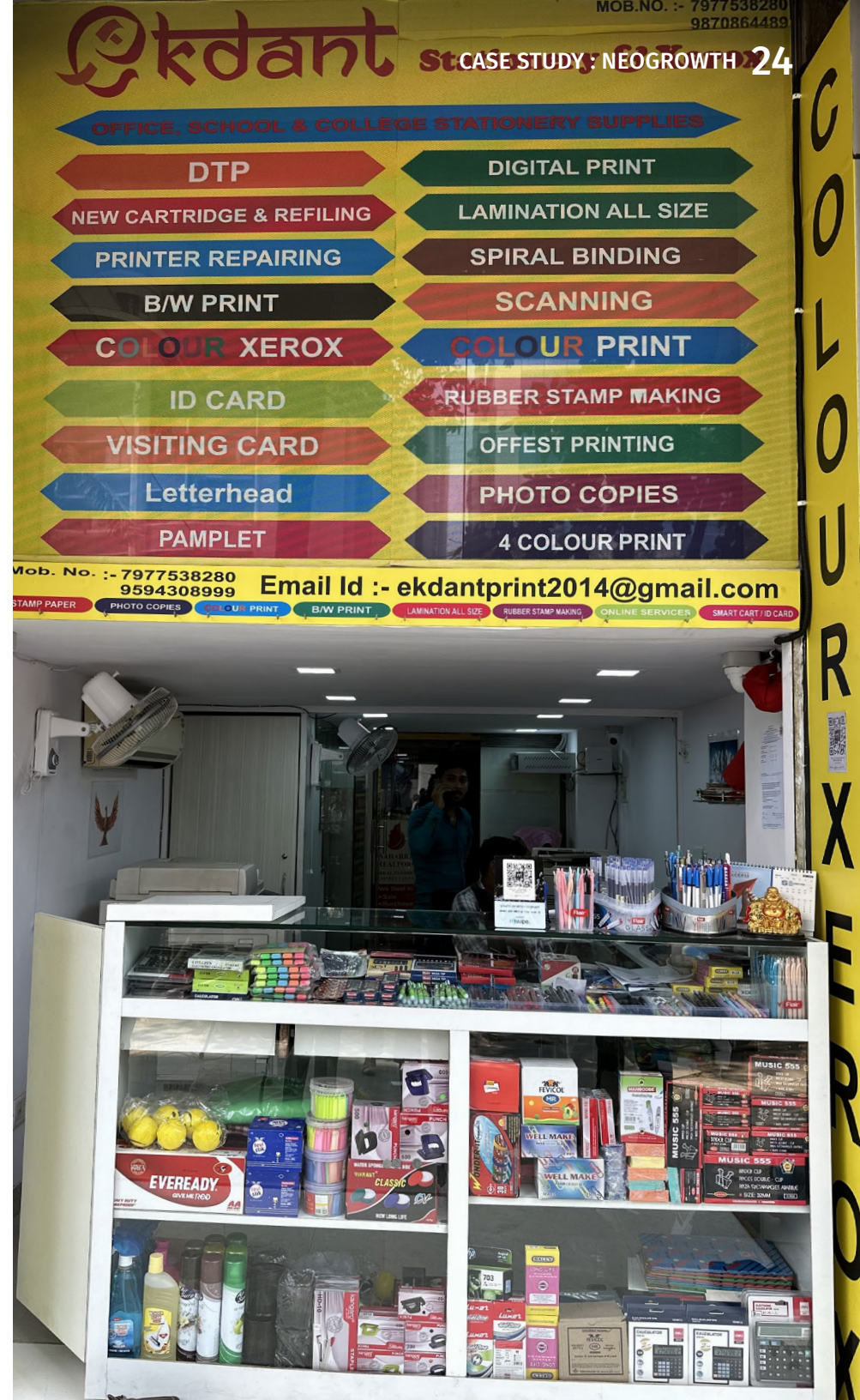
Supporting Young Entrepreneurs in India with NeoGrowth

Hemant Ankush Dangle is a 22-year-old entrepreneur in the Andheri West neighborhood of Mumbai, India. In 2015, he opened his first stationery and printing shop, Ekdant Stationery and Xerox. The business requires working capital for inventory, since vendors often require immediate payment that is out of sync with the sales cycle. Hemant had a loan from a non-banking finance corporation (NBFC), but when it came time to further expand his business, he looked into other options and found NeoGrowth.

NeoGrowth is an Indian NBFC that tailors its financial services to the needs of micro, small and medium-sized enterprises with a focus on first-generation entrepreneurs and women. In the last fiscal year, 35% of its loans were disbursed to young entrepreneurs like Hemant (under age 35), 24% to women entrepreneurs, and 48% to new businesses (less than 5 years old). Since 2017, DWM has arranged the equivalent of approximately \$9.3 million in financing for NeoGrowth in local currency loans.

Hemant took out a loan from NeoGrowth and opened a second store in March 2023. The loan was for the local currency equivalent of roughly \$17,000 with a term of two years. Hemant notes, "I was able to expand my business with the help of a loan from NeoGrowth." Some aspects of NeoGrowth's services that Hemant particularly appreciates are its responsive call center and the small daily payments, which reduce the month-end stress. All payments are conveniently collected online through auto-debit installments.

Hemant's success is an example of how NeoGrowth achieves its aims of increasing business revenue and enabling job creation through its specialized financial products for Indian small businesses.





DWM Strategic Impact Goal #3

Build adaptive capacity and resilience for
climate-vulnerable people and mitigate
further climate change

Build adaptive capacity and resilience for climate-vulnerable people and mitigate further climate change

- **Build adaptive capacity and resilience:** The effects of climate change are contributing to the top social challenges of our time, especially in the vulnerable contexts where DWM invests. DWM supports financial services and other solutions to build adaptive capacity in the near term and resilience in the longer term, in particular among poor and low-income populations.
- **Mitigate climate change:** Inclusive financial institutions have a critical role to play in enabling all sectors of the economy to reduce greenhouse gas intensity. DWM takes an active role in building the capacity of inclusive financial institutions to accelerate their activity toward this goal.

In 2022, the ongoing climate crisis brought devastating floods to Pakistan that displaced 7 million people, droughts impacting 36 million in the Horn of Africa, and many other costly events affecting vulnerable people in developing countries. And despite increasing investments in climate finance, the majority of capital is flowing to developed markets, rather than to support adaptation and resilience among those hardest-hit by the effects of climate change. Inclusive financial institutions in emerging markets can play an important role in channeling these investments through their portfolios.

More than half of portfolio companies (53%) offer financial products specifically focused on climate or environmental themes. The most common, offered by 38% of portfolio companies, are loans focused on reducing greenhouse gas emissions through energy efficiency or renewable energy, followed by loans for sustainable agricultural practices, which are offered by 26% of companies. Only 7% of companies offer climate or agricultural insurance—an important tool for increasing resilience.

Portfolio companies reported a total of \$345.6 million in outstanding loan portfolio across green lending products at the end of 2022. However, as noted in DWM's recent report on ["Climate Change and Inclusive Finance"](#), taxonomies to track loans in climate change mitigation, adaptation, and resilience remain underdeveloped, likely leading to broad underestimations of the extent to which inclusive finance institutions are already supporting these goals. Nine companies reported on renewable energy capacity financed, with a total of nearly 300,000 MW in 2022.



SDG Contributions

DWM's investments directly advance four of the 17 UN Sustainable Development Goals (SDGs), and indirectly facilitate progress on five others.

Progress Toward the Sustainable Development Goals

DWM’s investments directly advance four of the 17 UN Sustainable Development Goals (SDGs), and indirectly facilitate progress on five others. To capture the most direct and substantive contributions, DWM’s SDG reporting links our outcomes to the targets and indicators set by the UN. For each relevant UN indicator, we quantify the combined gap across the countries in which DWM had outstanding loans and investments in 2022. This provides a sense of context for our portfolio’s SDG contributions. Indirect contributions facilitate progress toward the target, for example by financing basic services rather than directly providing the services themselves.



DWM’s SDG Contribution Framework



SDG Targets and Indicators

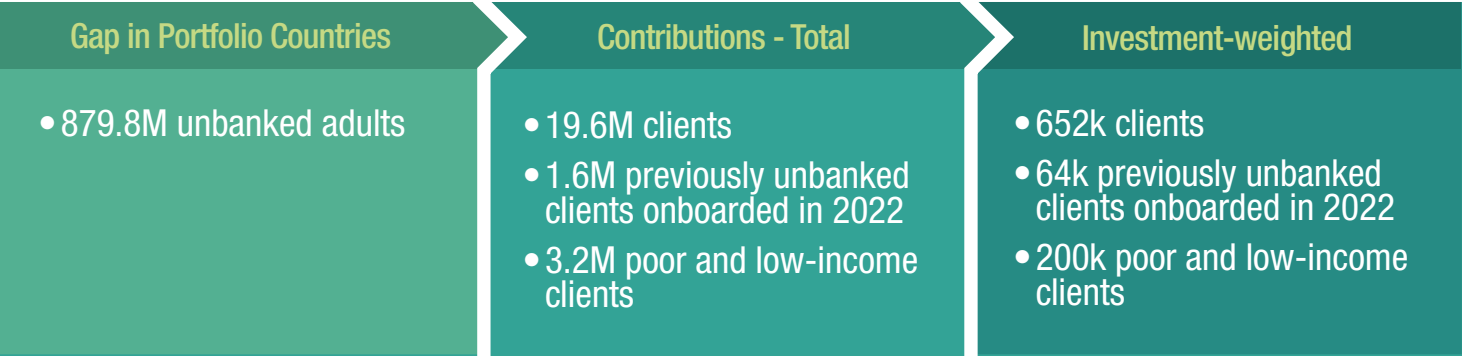


Target 1.4: Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

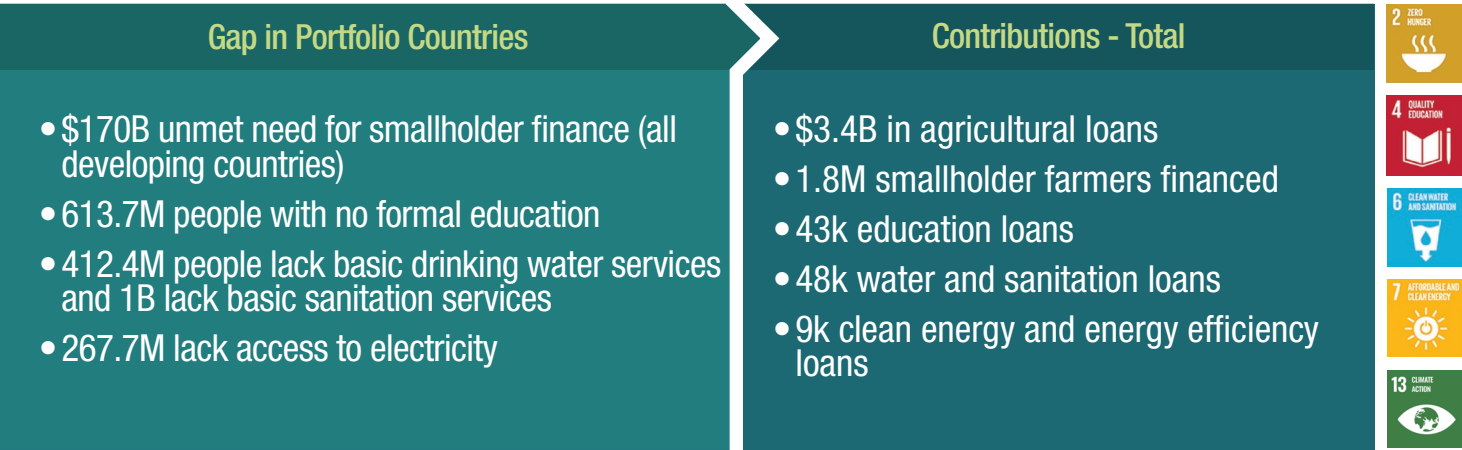
Indicator 1.4.1: Proportion of population living in households with access to basic services



Direct Contribution




Indirect Contribution



SDG Targets and Indicators

5

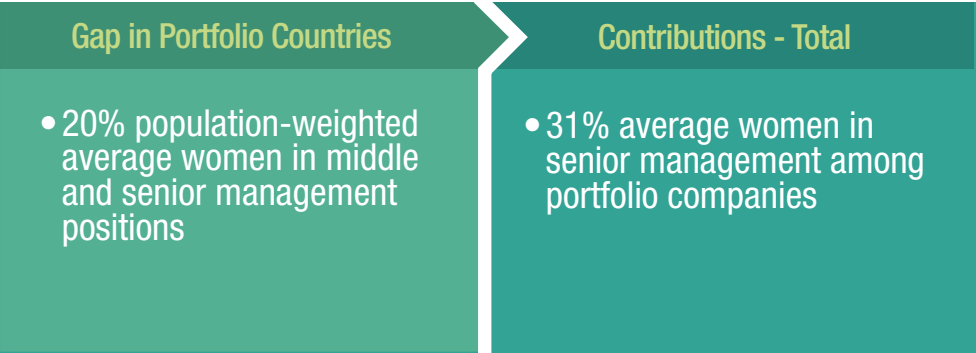
GENDER
EQUALITY



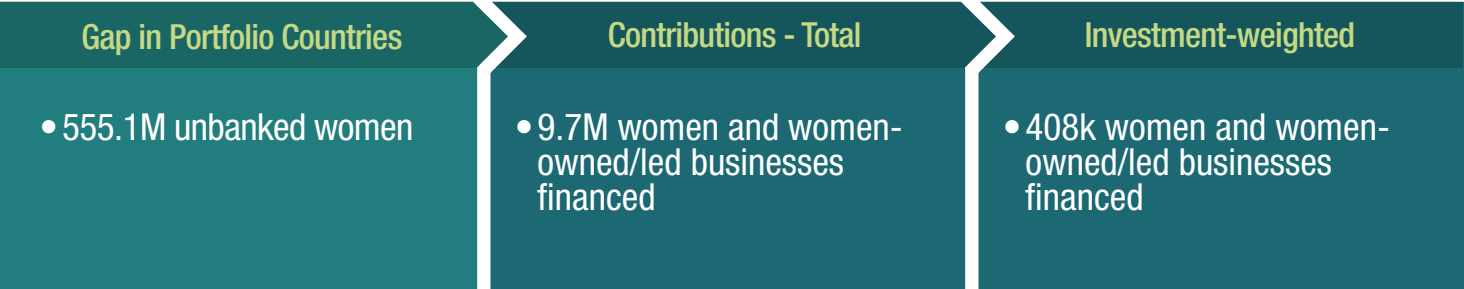
Target 5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

Indicator 5.5.2: Proportion of women in managerial positions

Direct Contribution




Indirect Contribution



SDG Targets and Indicators

8 DECENT WORK AND ECONOMIC GROWTH

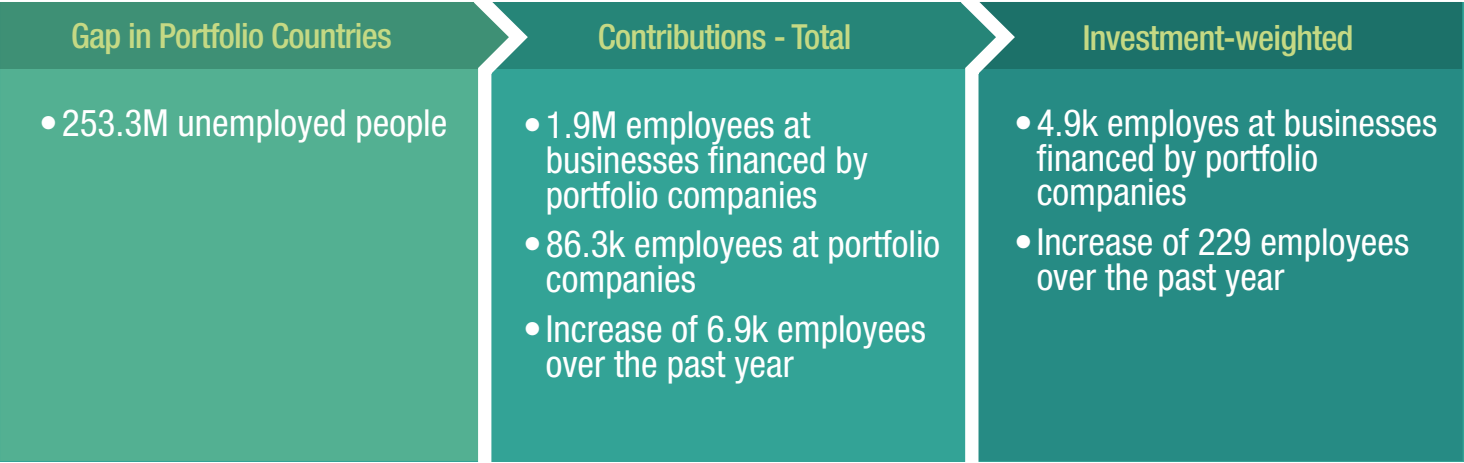


Target 8.3: Support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-small- and medium-sized enterprises, including through access to financial services.

Indicator 8.5.2: Unemployment rate



Direct Contribution



SDG Targets and Indicators

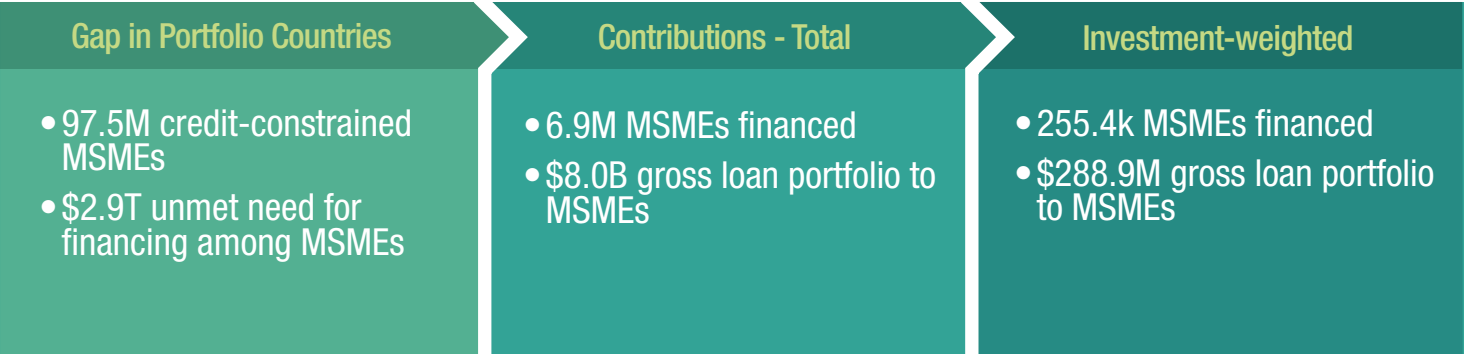
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Target 9.3: Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

Indicator 9.3.2: Proportion of small-scale industries with a loan or line of credit

Direct Contribution



SDG Targets and Indicators

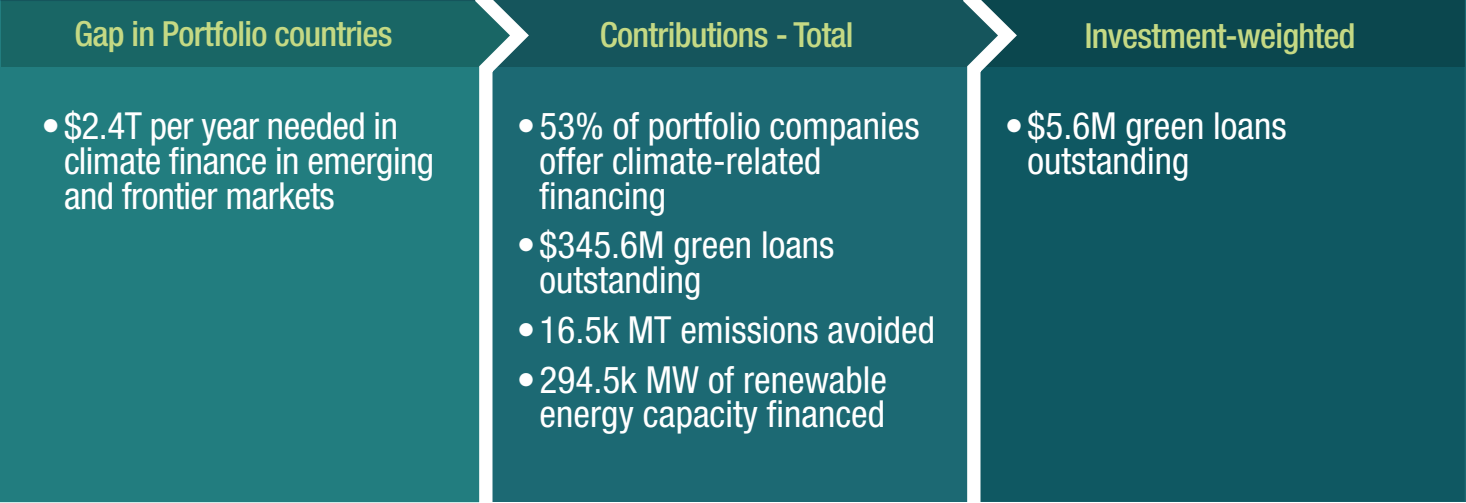


Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters

Indicator 13.1.3: Adoption and implementation of local disaster risk reduction strategies

Indicator 13.2.2: Total GHG emissions per year

Indirect Contribution



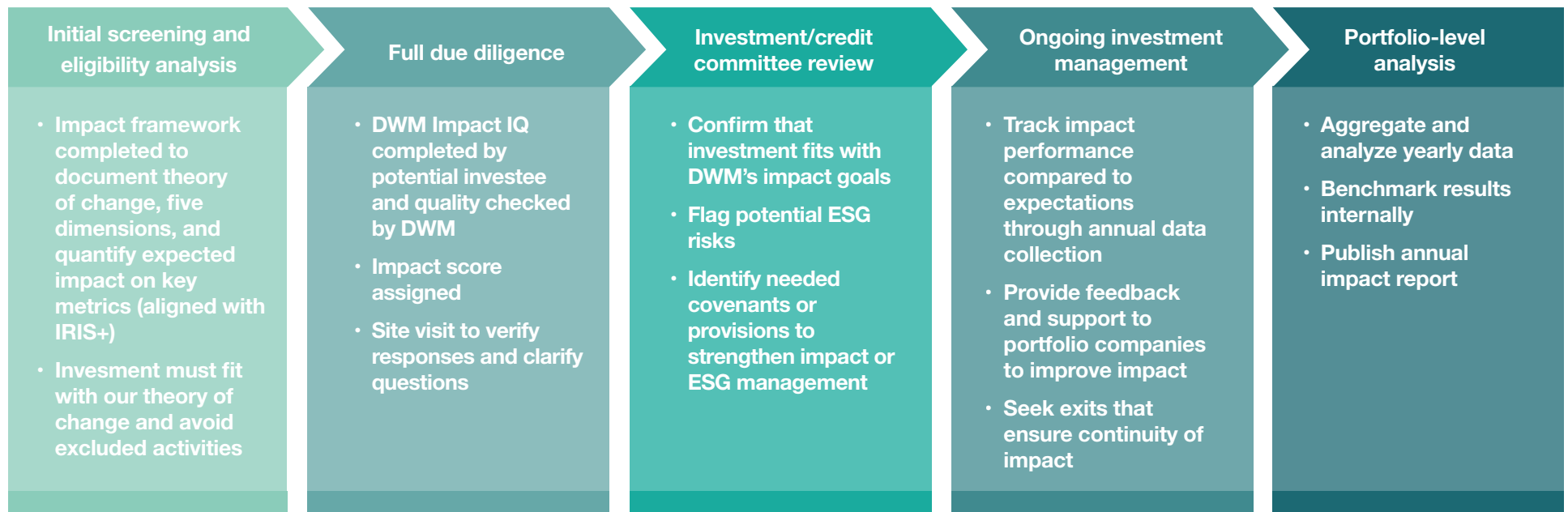


Impact Management

A robust impact measurement and management system enables DWM to select investments with high potential for impact, manage social and environmental results, and learn from experience to inform future investments.

DWM’s impact measurement and management is integrated throughout its entire investment process, as described in detail in our [statement of alignment](#) with the Operating Principles for Impact Management. The graphic below illustrates how we target, assess, and track social and environmental results across the investment cycle. Company-level impact and ESG analysis is conducted through desktop research, site visits, and discussions with company man-

agement. This robust impact measurement and management system enables DWM to select investments with high potential for impact, manage social and environmental results, and learn from experience to inform future investments.





Collaboration

Investment Partnerships

DWM works collaboratively with investors and investment partners to deploy funds into impact investments, targeting financial and impact goals. The results reflected in this report would not be possible without the support of the following institutions:

cardano

m o n e g a ■

Nordea

TRILL IMPACT

Industry Collaboration

DWM actively participates and aligns with the following industry efforts.



The GIIN is the global champion of impact investing, dedicated to increasing its scale and effectiveness.



2X Global is a field-building organization focused on advancing gender lens investing.



Operating Principles for
Impact Management

The Operating Principles for Impact Management provide a framework to ensure that impact considerations are purposefully integrated through the investment cycle.



IRIS+ is the generally accepted system for measuring, managing, and optimizing impact.



CP Pathway
cerise + SPTF

The Client Protection Pathway is an initiative of SPTF and CERISE to support client protection implementation across the financial service industry.

NET ZERO
ASSET
MANAGERS
INITIATIVE



Net Zero Asset Managers Initiative is an international group of managers committed to reducing greenhouse gas emissions to net zero by 2050 or sooner.



The United Nations Principles for Responsible Investment (PRI) provides a framework for incorporating ESG issues into decision-making and ownership.



DEVELOPING WORLD MARKETS

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