

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**  
*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

<b>Dimension 1</b>	<b>DEFINE AND MONITOR SOCIAL GOALS</b>
<b>Standard 1 a</b>	<b>The institution has a strategy to achieve its social goals.</b>
<b>EP 1 a 1</b>	<b>The institution's strategy includes a formal mission statement, which includes increasing access to financial services for vulnerable or excluded target groups and creating benefits for these clients.</b>
<b>Indicator 1 a 1 1</b>	<b>The institution's mission statement specifies:</b>
Detail 1 a 1 1 1	Target clients, which include vulnerable or excluded groups
Detail 1 a 1 1 2	The expected social outcomes, including access to financial services for target clients and creating benefits for these clients
Detail 1 a 1 1 3	How the institution will meet the needs of the target group
<b>Indicator 1 a 1 2</b>	<b>Management promotes the mission statement by:</b>
Detail 1 a 1 2 1	Reviewing it during times of institutional change, such as changes in ownership, legal form, and other significant changes
Detail 1 a 1 2 2	Circulating and explaining it at all levels
<b>EP 1 a 2</b>	<b>The institution's strategy defines the specific characteristics of its target clients.</b>
<b>Indicator 1 a 2 1</b>	<b>The strategy includes the specific characteristics of target clients:</b>
Detail 1 a 2 1 1	Demographics and/or socio-economic characteristics (e.g. male/female, urban/rural, level of education)
Detail 1 a 2 1 2	Poverty level
Detail 1 a 2 1 3	Access to financial products and services
Detail 1 a 2 1 4	Business activity (e.g. agriculture/trade, new business/existing business)
<b>Indicator 1 a 2 2</b>	<b>Management promotes understanding among employees on how targets clients are defined.</b>
<b>EP 1 a 3</b>	<b>The institution's strategy defines social goals.</b>
<b>Indicator 1 a 3 1</b>	<b>Social output goals are clear, realistic and consistent with type of clients targeted.</b>
<b>Indicator 1 a 3 2</b>	<b>Social outcome goals are clear, realistic and consistent with the mission.</b>
<b>EP 1 a 4</b>	<b>The institution's strategy defines measurable social targets for client-level outputs and outcomes.</b>
<b>Indicator 1 a 4 1</b>	<b>Social targets for each output and outcome are specific, measurable, attainable, relevant, and time-bound.</b>
<b>EP 1 a 5</b>	<b>The institution's strategy defines social indicators to measure progress toward social goals.</b>
<b>Indicator 1 a 5 1</b>	<b>The institution has at least one measurable indicator for each social goal.</b>
<b>EP 1 a 6</b>	<b>The institution's strategy articulates how its products, services, delivery models and channels will achieve its social goals.</b>
<b>Indicator 1 a 6 1</b>	<b>The institution's strategy specifies how the following aspects of its operations will help achieve its social goals:</b>
Detail 1 a 6 1 1	Products
Detail 1 a 6 1 2	Services
Detail 1 a 6 1 3	Delivery models
Detail 1 a 6 1 4	Channels
<b>Standard 1 b</b>	<b>The institution collects, reports, and ensures the accuracy of client-level data that are specific to the institution's social goals.</b>
<b>EP 1 b 1</b>	<b>The institution collects data for each of its social goals and the MIX social performance data.</b>
<b>Indicator 1 b 1 1</b>	<b>clients).</b>

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**  
*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

- Detail 1 b 1 1 1      *Women/men*
- Detail 1 b 1 1 2      *At least one characteristic among the ones listed below:*
  - \* 1 b 1 1 3 i      *Youth/adult*
  - \* 1 b 1 1 4 i      *Urban/rural*
  - \* 1 b 1 1 5 i      *Client household income level, i.e. poverty level*
  - \* 1 b 1 1 6 i      *Activities to be financed, including sector and size of business*
  - \* 1 b 1 1 7 i      *Membership in a marginalized group (e.g. indigenous, disabled)*
  - \* 1 b 1 1 8 i      *Any other relevant demographic characteristics*

**Indicator 1 b 1 2      The institution collects data on social goals that are relevant for its mission, using at least one measurable indicator per goal.**

**EP 1 b 2      The institution has protocols for the collection, quality control, analysis, and reporting of social performance data.**

**Indicator 1 b 2 1      Data protocols identify:**

- Detail 1 b 2 1 1      *Who defines the indicators to be collected*
- Detail 1 b 2 1 2      *Who collects the data*
- Detail 1 b 2 1 3      *How the data are collected*
- Detail 1 b 2 1 4      *Where the data are stored*
- Detail 1 b 2 1 5      *Who analyzes the data*
- Detail 1 b 2 1 6      *Who verifies the accuracy of the data*
- Detail 1 b 2 1 7      *How the data are reported*
- Detail 1 b 2 1 8      *To whom the data are reported*

**Indicator 1 b 2 2      Data collection protocols are followed in practice.**

**EP 1 b 3      The institution ensures the quality of the data collected by validating its data and training its employees on data collection and entry.**

**Indicator 1 b 3 1      Employees in relevant positions receive specific training on data collection and data entry.**

**Indicator 1 b 3 2      Data is validated by periodic internal audit or management review, including some field level checks.**

**EP 1 b 4      The institution's management information system disaggregates data by gender and other client characteristics.**

**Indicator 1 b 4 1      The institution's management information system generates reports that disaggregate by gender and all other breakdowns that are relevant to its social mission (see examples below):**

- Detail 1 b 4 1 1      *Women/men*
- Detail 1 b 4 1 1      *At least one characteristic among the ones listed below:*
  - \* 1 b 4 1 2 i      *Youth/adult*
  - \* 1 b 4 1 3 i      *Urban/rural*
  - \* 1 b 4 1 4 i      *Client household income level, i.e. poverty level*
  - \* 1 b 4 1 5 i      *Activities to be financed, including sector and size of business*
  - \* 1 b 4 1 6 i      *Membership in a marginalized group (e.g. indigenous, disabled)*
  - \* 1 b 4 1 7 i      *Product usage*
  - \* 1 b 4 1 8 i      *Other*

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**  
*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

**Indicator 1 b 4 2**     **The institution periodically analyzes client level data and presents consolidated data in management reports.**

**Indicator 1 b 4 3**     **Management reports are created at least once a year.**

**EP 1 b 5**     **tool.**

**Indicator 1 b 5 1**     **The institution monitors the poverty status of its new clients, which may include non-monetary forms of poverty, such as lack of empowerment or greater food insecurity.**

Detail 1 b 5 1 1     The institution systematically collects data to measure poverty outreach to new clients.

Detail 1 b 5 1 2     The institution uses a poverty assessment tool (see list of existing tools below)

\* 1 b 5 1 3 i     *Grameen Progress Out of Poverty Index (PPI)*

\* 1 b 5 1 4 i     *USAID Poverty Assessment Tool (PAT)*

\* 1 b 5 1 5 i     *Per Capita household expenditure*

\* 1 b 5 1 6 i     *Per Capital household income*

\* 1 b 5 1 7 i     *Housing index*

\* 1 b 5 1 8 i     *Participatory Wealth Ranking (PWR)*

\* 1 b 5 1 9 i     *Means test*

\* 1 b 5 1 10 i     *Food security index*

\* 1 b 5 1 11 i     *Own Proxy Poverty Index*

\* 1 b 5 1 12 i     *Other*

Detail 1 b 5 1 13     Poverty data are benchmarked using objective national/regional rates, peer benchmarks or internally set goals, and benchmarked results are shared in external reports.

Detail 1 b 5 1 14     Either the institution collects data for all its clients, or uses an adequate/representative sample.

Detail 1 b 5 1 15     A quality control check of the accuracy of PPI/poverty data collection occurs by someone other than the original enumerator.

**Indicator 1 b 5 2**     **The institution monitors the progress of the poverty status of its clients over time**

Detail 1 b 5 2 1     The institution uses a systematic approach to track progress of poor clients.

Detail 1 b 5 2 2     Analysis accounts for drop-outs affecting the results.

Detail 1 b 5 2 3     Data quality for tracking progress is of robust quality

**Indicator 1 b 5 3**     **The poverty levels of new clients can be disaggregated:**

Detail 1 b 5 3 1     By client characteristic

Detail 1 b 5 3 2     By branch/region

**Indicator 1 b 5 4**     **The institution disaggregates data around average findings - and analyzes reasons for both positive and negative variations in findings.**

**EP 1 b 6**     **The institution discloses social performance information, including the MIX Social Performance data.**

**Indicator 1 b 6 1**     **The institution uses Mix Market and/or one or more of the following channels**

Detail 1 b 6 1 1     *The MIX*

Detail 1 b 6 1 2     *Other channels such as:*

\* 1 b 6 1 3 i     *National/regional network*

\* 1 b 6 1 4 i     *Global network*

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**  
*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

- \* 1 b 6 1 5 i      *The institution's annual report*
- \* 1 b 6 1 6 i      *The national regulator*
- \* 1 b 6 1 7 i      *Other*

**Indicator 1 b 6 2      The institution updates data reported at least annually.**

<b>Dimension2</b>	<b>ENSURE BOARD, MANAGEMENT AND EMPLOYEE COMMITMENT TO SOCIAL GOALS</b>
<b>Standard 2 a</b>	<b>Members of the board of directors hold the institution accountable to its mission and social goals.</b>
<b>EP 2 a 1</b>	<b>The institution provides board members with an orientation on the social mission and goals and the board's responsibilities related to the social performance management of the institution.</b>
<b>Indicator 2 a 1 1</b>	<b>During the orientation, board members are provided with:</b>
Detail 2 a 1 1 1	An explanation of (or training on) the institution's social mission and goals
Detail 2 a 1 1 2	Documentation on their responsibilities regarding SPM
Detail 2 a 1 1 3	etc.
<b>Indicator 2 a 1 2</b>	<b>Board members' commitment to the social mission is verified periodically by an internal audit or external review.</b>
<b>Indicator 2 a 1 3</b>	<b>All board members have confirmed that they agree with their SP responsibilities.</b>
<b>Indicator 2 a 1 4</b>	<b>At least one board member has education and/or work experience related to SP.</b>
<b>EP 2 a 2</b>	<b>The board reviews social performance data, including: mission compliance, performance results, human resource policy, social performance related risks, client protection practices, growth, and profit allocation.</b>
<b>Indicator 2 a 2 1</b>	<b>social goals:</b>
Detail 2 a 2 1 1	Progress toward their established goals as measured by the social indicators
Detail 2 a 2 1 2	Human resource policy (e.g. benefits, incentives, turnover, gender, etc.) including its alignment with the mission
Detail 2 a 2 1 3	Client protection practices
Detail 2 a 2 1 4	Growth targets vs. actual growth
Detail 2 a 2 1 5	Profit allocation
Detail 2 a 2 1 6	Product range
Detail 2 a 2 1 7	Client feedback data or satisfaction surveys
Detail 2 a 2 1 8	Client rotation and exit survey data
Detail 2 a 2 1 9	Employee turnover and employee satisfaction data
Detail 2 a 2 1 10	Reputational risk
Detail 2 a 2 1 11	Independent information on the above (e.g. from internal audit or independent external assessments, such as audit/rating)
Detail 2 a 2 1 12	Other social performance results compared to the established social targets
<b>EP 2 a 3</b>	<b>The board uses social performance data to provide strategic direction, taking into account both social and financial goals.</b>
<b>Indicator 2 a 3 1</b>	<b>Board minutes show that social indicators and reputational issues inform decision making.</b>
<b>Indicator 2 a 3 2</b>	<b>The board takes corrective action when social targets are not being met.</b>
<b>Indicator 2 a 3 3</b>	<b>A SPM champion has been designated or a SPM committee has been formally set up within the board.</b>

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**

*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

<b>EP 2 a 4</b>	<b>The board incorporates social performance management criteria into its performance evaluation of the CEO/Managing Director.</b>
Indicator 2 a 4 1	<b>goals.</b>
<b>EP 2 a 5</b>	<b>The board has a documented strategy to prevent institutional mission drift during changes in ownership structure and/or legal form.</b>
Indicator 2 a 5 1	<b>When preparing for periods of institutional growth and change, the board has a documented strategy to prevent mission drift.</b>
<b>Standard 2 b</b>	<b>Senior management oversees implementation of the institution's strategy for achieving its social goals.</b>
<b>EP 2 b 1</b>	<b>Senior management integrates the institution's social performance goals into business planning.</b>
Indicator 2 b 1 1	<b>Documentation exists that demonstrates that social performance is integrated into business planning and operational decision making (for example board meeting minutes, management team meeting minutes, business plan, operational plan).</b>
Indicator 2 b 1 2	<b>The institution's social goals and targets are included in the business plan or operational plan.</b>
<b>EP 2 b 2</b>	<b>The institutional culture raises awareness and concern about fair and responsible treatment of clients. (Client Protection standard 5.1)</b>
Indicator 2 b 2 1	<b>The institution clearly spells out in a Code of Conduct (i.e. Code of Ethics, Book of Staff Rules) the organizational values and standards of professional conduct that are expected of all employees.</b>
Indicator 2 b 2 2	<b>The institution's Code of Conduct has been reviewed and approved by the board.</b>
Indicator 2 b 2 3	<b>The institution's employees sign a document by which they acknowledge that they will abide by the standards of professional conduct and not engage in any behaviors prohibited by the Code of Conduct.</b>
<b>EP 2 b 3</b>	<b>Senior management analyzes social performance data to compare the institution's actual performance against its stated social targets.</b>
Indicator 2 b 3 1	<b>Management receives reports with social performance data at least annually.</b>
Indicator 2 b 3 2	<b>Reports contain data on outputs.</b>
Indicator 2 b 3 3	<b>Reports contain data on outcomes.</b>
Indicator 2 b 3 4	<b>Social performance results are compared to business plan targets at least annually.</b>
Indicator 2 b 3 5	<b>Senior management has changed policies or procedures in the last 2 years based on social performance results.</b>
<b>EP 2 b 4</b>	<b>Senior management analyzes and addresses social performance-related risks.</b>
Indicator 2 b 4 1	<b>Senior managers assess social performance-related risks at least annually</b>
Detail 2 b 4 1 1	Mission drift
Detail 2 b 4 1 2	Reputational risk
Detail 2 b 4 1 3	Incidents resulting in harm to clients
Detail 2 b 4 1 4	Client exit
Detail 2 b 4 1 5	Employee dissatisfaction
Detail 2 b 4 1 6	Incentives that can lead to negative behaviors among employees
Detail 2 b 4 1 7	Lack of transparency
Detail 2 b 4 1 8	Negative environmental impacts
Detail 2 b 4 1 9	Gender inequalities and/or discrimination
Detail 2 b 4 1 10	Lack of implementation of policies
Indicator 2 b 4 2	<b>Internal audit and/or risk management integrates social performance criteria into their regular activities.</b>

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**

*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

Indicator 2 b 4 3	The institution has conducted an external assessment of social performance risks
Indicator 2 b 4 4	Senior management has changed policies or procedures in the last 2 years based on social performance risks.
<b>EP 2 b 5</b>	<b>The CEO/Managing Director holds senior managers accountable for making progress toward the institution’s social goals.</b>
Indicator 2 b 5 1	Senior managers are responsible for achieving specific social performance targets.
Indicator 2 b 5 2	The CEO/Managing Director formally assesses senior managers on their achievement of social performance targets annually.
Indicator 2 b 5 3	Senior managers are rewarded for their achievement of social performance targets annually.
<b>Standard 2 c</b>	<b>Employees are recruited, evaluated, and recognized based on both social and financial performance criteria.</b>
<b>EP 2 c 1</b>	<b>Employee job candidates are screened and hired for their commitment to the institution’s social goals, and their ability to carry out social performance related job responsibilities.</b>
Indicator 2 c 1 1	<b>The institution’s hiring process:</b>
Detail 2 c 1 1 1	Ensures a good fit between a candidate’s competencies and those required by the position
Detail 2 c 1 1 2	Assesses a candidate’s abilities and willingness to meet social performance-related job requirements
Indicator 2 c 1 2	<b>Employees sign a commitment contract, which states the candidate will do his/her best to carry out the institution’s social performance goals and mission.</b>
<b>EP 2 c 2</b>	<b>The institution provides training and evaluates employees on both social performance and financial performance responsibilities related to their position.</b>
Indicator 2 c 2 1	<b>Social performance training is sufficient to disseminate the mission throughout the institution, given the institution's size and turn-over.</b>
Indicator 2 c 2 2	<b>Employee performance appraisals include social performance factors, and evaluation of the employee's ability and willingness to carry out the social performance responsibilities related to his/her position’s support of the mission, such as:</b>
* 2 c 2 2 1 i	<i>Customer service</i>
* 2 c 2 2 2 i	<i>Ability to recruit target clients</i>
* 2 c 2 2 3 i	<i>Sensitivity to gender and other types of discrimination</i>
* 2 c 2 2 4 i	<i>Quality of social data collection</i>
* 2 c 2 2 5 i	<i>Client retention</i>
* 2 c 2 2 6 i	<i>Portfolio quality</i>
* 2 c 2 2 7 i	<i>Level of intensive versus extensive growth (i.e. recruitment of clients new to microfinance)</i>
* 2 c 2 2 8 i	<i>Quality of non-financial services provided (if applicable)</i>
* 2 c 2 2 9 i	<i>Outreach to remote/rural communities</i>
* 2 c 2 2 10 i	<i>Outreach to women</i>
<b>EP 2 c 3</b>	<b>The institution implements policies to promote ethics and prevent fraud. (Client Protection standard 5.4)</b>
Indicator 2 c 3 1	<b>The institution’s managers and supervisors review ethical behavior, professional conduct and the quality of interaction with customers as part of employee performance evaluations.</b>
Indicator 2 c 3 2	<b>The institution's procedures describe the sanctions that will be taken in case of violation of the Code of Conduct or collections policies (e.g. harassment, discrimination, theft, corruption, kickbacks etc.), that can result in the termination of employment.</b>

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**  
*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

Indicator 2 c 3 3	The institution's employees are informed of penalties for non-compliance with Code of Conduct or collections policies.
Indicator 2 c 3 4	necessary.
Indicator 2 c 3 5	The institution sanctions cases of violations of the Code of Conduct or collections policies (identified by management, internal audit or an efficient complaint mechanism) according to set rules.
Indicator 2 c 3 6	Loan officer base pay is at least a living wage.
<b>EP 2 c 4</b>	<b>The institution incentivizes quality loans. (Client Protection standard 2.2)</b>
Indicator 2 c 4 1	Regular reports on PAR and write-offs are produced and reviewed by institution's management.
Indicator 2 c 4 2	Reasonable portfolio quality is maintained over time. If there is poor long term quality of loan portfolio, and linked to over-indebtedness, corrective measures have been put in place.
Indicator 2 c 4 3	The institution's productivity targets and incentive systems value portfolio quality at least as highly as other factors, such as disbursement or client growth.
Indicator 2 c 4 4	The institution's productivity targets and incentive schemes are reasonable as compared to the industry benchmark (parameters and proportion of fixed/variable remuneration).
Indicator 2 c 4 5	If PAR is over 10% at the level of the institution, bonuses are offered to loan officers able to decrease PAR below 10%.

**Dimension3 NEEDS AND PREFERENCES**

<b>Standard 3 a</b>	<b>The institution understands the needs and preferences of different types of clients.</b>
<b>EP 3 a 1</b>	<b>The institution seeks client feedback for product design and delivery. (Client Protection standard 1.2)</b>
<b>Indicator 3 a 1 1</b>	<b>The institution conducts market research at least annually or on an ongoing basis on:</b>
Detail 3 a 1 1 1	Target client characteristics
Detail 3 a 1 1 2	Need/preferences for products
Detail 3 a 1 1 3	Need/preferences for delivery channels
Detail 3 a 1 1 4	Potential barriers
<b>Indicator 3 a 1 2</b>	<b>The institution analyses results of market research by client characteristics.</b>
<b>Indicator 3 a 1 3</b>	<b>For institutions with insurance products, the institution tracks not only coverage but claims by client characteristics.</b>
<b>Indicator 3 a 1 4</b>	<b>Field officers are trained to communicate client feedback to management.</b>
<b>Indicator 3 a 1 5</b>	<b>The institution uses client feedback to inform product development and improve existing products (client feedback can be informal).</b>
<b>EP 3 a 2</b>	<b>The institution analyzes client satisfaction by client characteristic.</b>
<b>Indicator 3 a 2 1</b>	<b>The institution collects feedback on client satisfaction:</b>
Detail 3 a 2 1 1	At least once a year
Detail 3 a 2 1 2	In a way that allows for segmentation by the characteristics of the target population
Detail 3 a 2 1 3	In a way that covers a representative sample of clients
Detail 3 a 2 1 4	In a way that minimizes the risk of bias
<b>Indicator 3 a 2 2</b>	<b>Client satisfaction data includes information on the following:</b>
*3 a 2 2 1 i	<i>Overall satisfaction with the customer experience and value of the products offered</i>

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**  
*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

- \* 3 a 2 2 2 i *Who actually uses the product (e.g. client, spouse, other household member)*
- \* 3 a 2 2 3 i *End use of the service (e.g. working capital, consumption smoothing, lump sums for asset building or life events)*
- \* 3 a 2 2 4 i *Satisfaction with the convenience, safety, and reliability of service delivery channels*
- \* 3 a 2 2 5 i *Satisfaction with the timeliness, ease of use and conditions/guarantees necessary to obtain the services*
- \* 3 a 2 2 6 i *Satisfaction with the relationship with loan officer*
- \* 3 a 2 2 7 i *Satisfaction with the savings/loan/insurance services (amounts, costs, schedule flexibility)*
- \* 3 a 2 2 8 i *Suggestions for product improvement*
- \* 3 a 2 2 9 i *Level of trust in the institution*
- \* 3 a 2 2 10 i *Satisfaction/effectiveness on non financial services provided to target clients*

**Indicator 3 a 2 3** **The institution uses client satisfaction data to determine whether products/services are used as expected.**

**EP 3 a 3** **The institution monitors the client retention rate by client characteristic and understands the reasons clients exit the institution.**

**Indicator 3 a 3 1** **The institution investigates reasons for client drop out. For client retention monitoring, the institution:**

- Detail 3 a 3 1 1 *Calculates the retention rate on an ongoing basis*
- Detail 3 a 3 1 2 *Monitors the trend in this rate over time using a consistent formula and analyzing the results across client segments, products, and branches/areas*
- Detail 3 a 3 1 3 *Conducts exit interviews to understand the causes of client exit, by client segment and branch/region*

**Standard 3 b** **goals.**

**EP 3 b 1** **The institution designs products that are appropriate to client needs and do no harm. (Client Protection standard 1.1)**

**Indicator 3 b 1 1** **The institution designs products that are appropriate to client needs and do no harm. It does not offer products that produce negative value for the client.**

**Indicator 3 b 1 2** **valued.**

**EP 3 b 2** **The institution uses its understanding of client needs and preferences to reduce the barriers to financial inclusion faced by target clients.**

**Indicator 3 b 2 1** **Products, services, delivery models and channels are appropriate for the target population in terms of:**

- Detail 3 b 2 1 1 *Size (e.g. small minimum loan and saving size)*
- Detail 3 b 2 1 2 *Guarantee and/or guarantor requirements (e.g. soft or flexible physical collateral, financial books not necessary)*
- Detail 3 b 2 1 3 *Loan repayment schedules, savings withdrawal conditions (e.g. compatible with the cash-flows of the target populations)*
- Detail 3 b 2 1 4 *Loan/saving/insurance product use (e.g. compatible with the target clients' activities)*
- Detail 3 b 2 1 5 *Delivery channels (for all channels that the institution uses in the list below)*
  - \* 3 b 2 1 6 i *Debit/credit card*
  - \* 3 b 2 1 7 i *Mobile banking services*
- Detail 3 b 2 1 10 *Delivery models (e.g. adaptation to cultural/social barriers such as language, literacy level, women's role)*
- Detail 3 b 2 1 11 *Limited financial literacy of clients*
- Detail 3 b 2 1 12 *Other*

**EP 3 b 3** **The institution offers timely access to products and services that allow clients to reduce their risk and cope with common emergencies.**



## Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4

(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)

**Indicator 3 b 3 1**      **The institution has conducted a strategic analysis on how its products, services and delivery models help clients to reduce risks and cope with common emergencies.**

**Indicator 3 b 3 2**      **The institution offers a set of products/services that clients can use to reduce their risk and cope with common emergencies, such as:**

- \*3 b 3 2 1 i      *Loans to cope with emergencies and reduce risks, including but not limited to emergency loans*
- \*3 b 3 2 2 i      *Rescheduling or restructuring of loans when appropriate*
- \*3 b 3 2 3 i      *Savings to cope with emergencies and reduce risks, including but not limited to products with the possibility to withdraw money easily, mandatory saving can be withdrawn for emergencies, etc.*
- \*3 b 3 2 4 i      *Voluntary insurance, such as:*
- \*3 b 3 2 5 i      *Credit Life insurance*
- \*3 b 3 2 6 i      *Life insurance*
- \*3 b 3 2 7 i      *House insurance*
- \*3 b 3 2 8 i      *Agriculture insurance*
- \*3 b 3 2 9 i      *Health insurance*
- \*3 b 3 2 10 i      *Workplace insurance*
- \*3 b 3 2 11 i      *Other:*
- \*3 b 3 2 12 i      *Payments/remittances services to cope with emergencies and reduce risks*
- \*3 b 3 2 13 i      *Training services to reduce risks, including women's empowerment, business, and other educational services*
- \*3 b 3 2 14 i      *Funds or reserves are earmarked in case of collective disaster*
- \*3 b 3 2 15 i      *Health services, such as:*
- \*3 b 3 2 16 i      *Basic medical services*
- \*3 b 3 2 17 i      *Special medical services for women and children*

**EP 3 b 4**      **The institution creates benefits for clients by enabling them to invest in economic opportunities and address anticipated household needs.**

**Indicator 3 b 4 1**      **The institution has conducted a strategic analysis on how its products, services and delivery models enable clients to invest in economic opportunities and address anticipated household needs.**

**Indicator 3 b 4 2**      **The institution offers a diverse or flexible set of products/services which can be used by clients to invest in economic opportunities and address anticipated household needs at each life cycle stage, such as:**

- \*3 b 4 2 1 i      *Business loans (start-up, working capital, investment)*
- \*3 b 4 2 4 i      *Fixed term deposits*
- \*3 b 4 2 5 i      *Saving services including but not limited to youth savings, saving plans for life events such as weddings/funerals, housing savings*
- \*3 b 4 2 6 i      *Leasing options*
- \*3 b 4 2 7 i      *Pension services*
- \*3 b 4 2 8 i      *Loans for agriculture*
- \*3 b 4 2 9 i      *Loans for education*
- \*3 b 4 2 11 i      *Enterprise skills development*
- \*3 b 4 2 12 i      *Business development services*

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**  
*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

- \* 3 b 4 2 13 i      *SME loans*
- \* 3 b 4 2 14 i      *Checking accounts*
- \* 3 b 4 2 15 i      *Other*

**EP 3 b 5      The institution does not use aggressive sales techniques. (Client Protection standard 1.3)**

Indicator 3 b 5 1      **The institution does not use high pressure/aggressive sales techniques and does not force clients to sign contracts (for credit, no forced signing of any individual borrower or group member, or of any guarantor).**

**Dimension 4      TREAT CLIENTS RESPONSIBLY**

**Standard 4 a      Prevention of Over-indebtedness**

**EP 4 a 1      The institution conducts appropriate client repayment capacity analysis before disbursing a loan. (Client Protection standard 2.1)**

Indicator 4 a 1 1      **The institution's policies support good repayment capacity analysis. The loan approval does not rely solely on guarantees (whether peer guarantees, co-signers or collateral) as a substitute for good capacity analysis.**

\* 4 a 1 1 1 i      *[individual lending] Repayment capacity analysis is done for every loan*

\* 4 a 1 1 2 i      *[group lending] The group formation and loan approval process ensure the prudent self-selection of members, with emphasis on the concept of solidarity payment*

Indicator 4 a 1 2      **The institution's repayment capacity policy is adequately disseminated among staff, considering the staff growth and turn-over.**

Indicator 4 a 1 3      **The institution's repayment capacity policy is uniformly used in practice.**

Indicator 4 a 1 4      **The institution performs a repayment capacity analysis at each loan cycle, even if simplified for secondary aspects at loan renewal.**

Indicator 4 a 1 5      **For clients with informal revenues and/or non-consumption loans (most cases), the repayment capacity analysis is based on a client visit (performed by a loan officer or delegated to group/village members). The institution verifies the information consistency through cross-checks. For clients with a salary asking for a consumption loan, a client visit is not required.**

**EP 4 a 2      The institution uses credit bureau and competitor data, when feasible in the local context. (Client Protection standard 2.3)**

Indicator 4 a 2 1      **[credit bureau] The institution's policies include clear consultation and sharing of client data (for all loan cycles).**

Indicator 4 a 2 2      **[credit bureau] The institution systematically reviews client data from the credit bureau (for borrowers' current debt levels and repayment history) to assess the client repayment capacity prior to disbursement at each loan cycle. The institution also systematically reports client data to the credit bureau.**

Indicator 4 a 2 3      **[credit bureau] [group lending] Groups access up-to-date data from the credit bureau regarding borrower credit history: group members are provided with the credit bureau credit checks done on other members.**

Indicator 4 a 2 4      **context.**

Indicator 4 a 2 5      **[no credit bureau] The institution regularly consults with and reports client data to competitors (informal data exchanges consistent with legal limitations, as feasible in local context.**

Indicator 4 a 2 6      **The institution has a supervisory system in place to ensure that the credit bureau or competitor data is effectively used to inform credit analysis and decisions.**

**EP 4 a 3      Senior management and the board are aware of and concerned about the risk of over-indebtedness. (Client Protection standard 2.4)**

Indicator 4 a 3 1      **monitor it.**

## Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4

*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

Indicator 4 a 3 2	<b>In high risk markets, stronger efforts are required. Management and board of directors define what is high-risk. They review relevant market level information (relevant to the current or planned operational area of the financial institution).</b>
EP 4 a 4	<b>2.5).</b>
Indicator 4 a 4 1	<b>The institution's internal audit and/or internal controls department verifies the compliance with the policies and systems used to prevent the risk of client over-indebtedness.</b>
Indicator 4 a 4 2	<b>The institution's internal audit and/or other departments (except for credit and/or collections departments) visit a representative sample of clients each year.</b>
Indicator 4 a 4 3	<b>The institution's MIS regularly provides information on rescheduled loans.</b>
EP 4 a 5	<b>The institution avoids dangerous commercial practices. (Client Protection standard 2.6)</b>
Indicator 4 a 5 1	<b>The institution has a policy that avoids parallel loans within the institution (i.e., combining loan products to meet the same need, or restricting the loan).</b>
Indicator 4 a 5 2	<b>The institution has prudent limits to allow for the renewal of a loan in case of early repayment.</b>
Indicator 4 a 5 3	<b>loans/refinancing/writing off on an exceptional basis for late clients who have the "willingness" to repay but not the capacity to repay, prior to seizing assets.</b>
<b>Standard 4 b</b>	<b>Transparency</b>
EP 4 b 1	<b>The institution fully discloses cost and non-cost information. (Client Protection standard 3.1)</b>
Indicator 4 b 1 1	<b>The institution fully discloses to the clients all prices, installments, terms and conditions of all financial products, including all charges and fees, associated prices, penalties, linked products, 3rd party fees, and whether those can change over time.</b>
Indicator 4 b 1 2	<b>The institution clearly presents to clients the total amount that the client pays for the product, regardless of local regulations (including in the absence of industry-wide requirements).</b>
Indicator 4 b 1 3	<b>The institution participates in the MFTransparency project (or similar industry project, if applicable).</b>
EP 4 b 2	<b>The institution communicates proactively with clients in a way that clients can easily understand. (Client protection standard 3.2).</b>
Indicator 4 b 2 1	<b>The institution has effective communication. Staff communicates in such a manner that clients can understand the terms of the contract, their rights, and obligations.</b>
Indicator 4 b 2 2	<b>The institution contracts contain simple language and no fine print (figuratively or literally). A clear fact summary page is given if the legally necessary contract is deemed too technical for the clients.</b>
Indicator 4 b 2 3	<b>The institution avoids using pricing mechanisms that create confusion on the total costs.</b>
EP 4 b 3	<b>The institution uses a variety of disclosure mechanisms. (Client protection standard 3.3)</b>
Indicator 4 b 3 1	<b>The institution uses at least two different communication channels for disclosing clear and accurate information about the product: written and verbal (to address literacy limitations).</b>
Indicator 4 b 3 2	<b>The institution discloses pricing information in the public domain.</b>
EP 4 b 4	<b>The institution leaves adequate time for client review and discloses information at multiple times. (Client protection standard 3.4)</b>
Indicator 4 b 4 1	<b>The institution communicates all information related to the product (terms, conditions etc.) to clients before signing.</b>

## Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4

*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

Indicator 4 b 4 2	The institution gives clients adequate time to review the terms and conditions of the product, ask questions, and receive additional information prior to signing contracts.
Indicator 4 b 4 3	The institution staff is available to answer questions.
EP 4 b 5	The institution provides accurate and timely account information (Client protection standard 3.5)
Indicator 4 b 5 1	The institution gives clients a hard copy of all documents signed by clients (including, but not limited to the contract) with all terms and conditions. The institution ensures that there are no blank terms in all documents signed by clients (including, but not limited to, contracts) – they must be completely filled out.
Indicator 4 b 5 2	[group lending] Each client receives a contract, and/or an individual pass/book or payment book with contact terms and signature (even if the contract is between the group and the financial institution).
Indicator 4 b 5 3	The institution regularly gives clients clear and accurate information regarding their accounts (e.g., account statements, receipts, balance inquiries, proof of payment for loans).
Indicator 4 b 5 4	The institution provides clients with updated balances on request.
Standard 4 c	Fair and Respectful Treatment of Clients
EP 4 c 1	The institution has defined in specific detail what it considers to be appropriate debt collection practices. (Client Protection standard 5.2)
Indicator 4 c 1 1	The institution clearly spells out in a Code of Conduct (i.e., in Code of Conduct, Code of Ethics, Book of Employee Rules) the specific standards of professional conduct that are expected of all employees involved in collections (including third party staff).
Indicator 4 c 1 2	The institution does not endorse a policy of zero tolerance for PAR.
Indicator 4 c 1 3	The institution's policy guarantees that clients receive a fair price for any confiscated assets; has procedures to ensure that collateral seizing is respectful of clients' rights; and offers an explanation of the role of guarantors. In case collateral is kept on the financial institution premises, procedures are in place to ensure its security.
EP 4 c 2	standard 5.3)
Indicator 4 c 2 1	Employees are recruited and trained in line with the Code of Ethics.
Indicator 4 c 2 2	The institution's employees are trained in line with the Code of Ethics: initial training includes a review of the Code of Conduct and a discussion with new employees on the situations where the compliance with the Code might be a challenge.
Indicator 4 c 2 3	collections staff, and branch managers). In particular, collections staff receives training in acceptable debt collections practices and loan recovery procedures.
EP 4 c 3	In selection and treatment of clients, the institution does not discriminate inappropriately against certain categories of clients. (Client Protection standard 5.5)
Indicator 4 c 3 1	The institution has a non-discrimination policy.
Indicator 4 c 3 2	The institution's rescheduling policies are applied in a consistent and fair way across the financial institution.
EP 4 c 4	5.6)
Indicator 4 c 4 1	The same training is provided to third party collections staff, in case collection is subcontracted, and they are held to the same standards as the institution's employees.
EP 4 c 5	The institution informs clients of their rights. (Client Protection standard 5.7)

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**

*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

- Indicator 4 c 5 1 The institution informs clients of the main aspects of the Code of Conduct. Information includes clients' right to complain and how to submit a complaint.
- Indicator 4 c 5 2 The institution informs clients about procedures on collateral seizing.
- Indicator 4 c 5 3 The institution documents and communicates to clients about loan policies and procedures for rescheduling credit.

<b>Standard 4 d</b>	<b>Privacy of Client Data</b>
<b>EP 4 d 1</b>	<b>The institution has a privacy policy and appropriate technology systems (Client Protection standard 6.1).</b>
Indicator 4 d 1 1	The institution has a written privacy policy that governs the gathering, processing, use, distribution, and storage of client information. The policy covers current staff as well as those who leave the organization and information leakage.
Indicator 4 d 1 2	print.
Indicator 4 d 1 3	The institution's Staff Book of Rules and/or Code of Conduct penalize misuse or misappropriation of data.
Indicator 4 d 1 4	The institution has penalties for exposing or revealing client data to third parties without prior client consent.
Indicator 4 d 1 5	The institution has systems in place (including secure IT systems) to protect the confidentiality, security, accuracy and integrity of customers' personal and financial information.
Indicator 4 d 1 6	The institution's IT systems in place have different password protection systems that are changed periodically with different access levels according to the position of the staff member accessing the data.
Indicator 4 d 1 7	If files are stored in physical format, the institution stores the client files in a secure location, within the branch or headquarters that has a) restricted access only to selected persons; b) is kept in a facility secure from arson or theft.
<b>EP 4 d 2</b>	<b>The institution informs clients about when and how their data is shared and gets their consent (Client Protection standard 6.2).</b>
Indicator 4 d 2 1	The institution has a policy (included in the training manual) to describe how to talk to clients about this topic. Requires that the institution present clearly to clients how it will use and share their client data.
Indicator 4 d 2 2	The institution communicates well the privacy policy to staff.
Indicator 4 d 2 3	information.
Indicator 4 d 2 4	The institution informs customers how their information will be used internally and, when applicable, when it will be shared externally.
Indicator 4 d 2 5	Prior to loan disbursement, the institution's staff reads the privacy portion of the contract to the client.
Indicator 4 d 2 6	information).
Indicator 4 d 2 7	information.
Indicator 4 d 2 8	The institution requires written client consent to share personal information with any external audiences, including credit bureaus, insurance agents, collection companies and others.
Indicator 4 d 2 9	[group lending] the institution trains group leaders to safeguard group member information, particularly saving account balances, dates of loan disbursement, and information on repayment problems.
<b>Standard 4 e</b>	<b>Mechanisms for Complaint Resolution</b>
<b>EP 4.00E+001</b>	<b>The institution's clients are aware of how to submit complaints (Client Protection standard 7.1).</b>

## Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4

*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

Indicator 4 e 1 1	The institution informs clients about: their right to complain; and how to submit a complaint to the appropriate person (or where they could find that information if they don't know it first-hand).
<b>EP 4.00E+002</b>	<b>The institution's employees are trained to handle complaints (Client Protection standard 7.2).</b>
Indicator 4 e 2 1	The institution's dedicated staff induction training includes a session on how the complaints mechanism works, the loan officer's role in the process and how to appropriately manage complaints until they are completely resolved (how to handle complaints and refer them to the appropriate person for investigation and resolution).
<b>EP 4.00E+003</b>	<b>The institution's complaints resolution system is active and effective (Client Protection standard 7.3).</b>
Indicator 4 e 3 1	The institution's policies include how to handle complaints. They include how to inform clients about the complaint mechanism.
Indicator 4 e 3 2	The institution has an effective, appropriate system in place to resolve complaints in a timely way.
Indicator 4 e 3 3	time basis.
Indicator 4 e 3 4	The institution has a clear reporting system in place to ensure that complaints from branches/POS reach complaints-handling staff.
Indicator 4 e 3 5	The complaints mechanism is actively used by clients.
Indicator 4 e 3 6	The institution's clients receive a timely response to their issues, within a month of complaint submission.
Indicator 4 e 3 7	The institution's internal audit or other monitoring system checks that complaints are resolved satisfactorily.
<b>EP 4.00E+004</b>	<b>The institution uses client feedback to improve practices and products (Client Protection standard 7.4).</b>
Indicator 4 e 4 1	The institution uses information (from client feedback) to correct mistakes, omissions and activities that may be harmful to the client.
Indicator 4 e 4 2	The institution uses complaints information to improve the organization's operations/products/communications.
<b>Dimension5</b>	<b>TREAT EMPLOYEES RESPONSIBLY</b>
Standard 5 a	The institution follows a written Human Resources policy that protects employees and creates a supportive working environment.
<b>EP 5 a 1</b>	<b>A written Human Resources policy is available to all employees, complies with national law, and explains employees' rights.</b>
Indicator 5 a 1 1	All employees have access to an up-to-date copy of the HR policy.
Indicator 5 a 1 2	The HR policy is compliant with any existing national labor laws.
Indicator 5 a 1 3	The HR policy includes a transparent salary scale based on market rates and the national or sectorial minimum wage.
Indicator 5 a 1 4	The written HR policy is clear and covers employees' rights related to the following:
Detail 5 a 1 4 1	Wages
Detail 5 a 1 4 2	Benefits i.e. social protection
Detail 5 a 1 4 3	Working conditions, including rights concerning overtime pay, rest periods, holidays, number of expected work hours per week, etc.
Detail 5 a 1 4 4	Safety at work
Detail 5 a 1 4 5	Non-discrimination
Detail 5 a 1 4 6	Freedom of association
Detail 5 a 1 4 7	Grievance resolution
Detail 5 a 1 4 8	Anti-harassment safeguards
Detail 5 a 1 4 9	Disciplinary procedures and possible sanctions
Detail 5 a 1 4 10	Provision of any collective bargaining agreements

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**  
*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

Detail 5 a 1 4 1 1	Exit formalities
<b>Indicator 5 a 1 5</b>	<b>The following categories are covered by the financial institution's non-discrimination policy:</b>
Detail 5 a 1 5 1	Sex
Detail 5 a 1 5 2	Race/ethnicity
Detail 5 a 1 5 3	Religion
Detail 5 a 1 5 4	HIV status
Detail 5 a 1 5 5	Disability
Detail 5 a 1 5 6	Sexual orientation
Detail 5 a 1 5 7	Participation in any collective bargaining agreement
<b>EP 5 a 2</b>	<b>Employee compensation levels constitute a living wage for employees.</b>
Indicator 5 a 2 1	The institution has a transparent salary scale and pays salaries based on market rates and the national or sectorial minimum wage.
Indicator 5 a 2 2	The institution evaluates whether discrepancies exist between the salaries of comparable male and female employees at each level/department of the organization. And if discrepancies exist, action is taken to remedy this situation.
<b>EP 5 a 3</b>	<b>The institution accepts and responds to employee grievances through a formal and confidential grievance system.</b>
Indicator 5 a 3 1	The institution has a formal grievance mechanism in place that allows employees to raise workplace concerns (e.g. sexual harassment) in a confidential manner.
Indicator 5 a 3 2	The mechanism is actively used by staff.
Indicator 5 a 3 3	The institution has a whistle blower policy.
Indicator 5 a 3 4	mechanism.
Indicator 5 a 3 5	The institution has an Ethics Committee that can facilitate the just resolution of grievances from staff.
<b>EP 5 a 4</b>	<b>The institution neither employs nor benefits from forced or compulsory labor or illegal child labor.</b>
Indicator 5 a 4 1	The institution neither employs nor benefits from forced or child labor.
Detail 5 a 4 1 1	Forced or compulsory labor
Detail 5 a 4 1 2	Child labor
Indicator 5 a 4 2	The institution complies with the national and international legal requirements and norms when hiring minors and operates in accordance with national law on minimum age for employment, but in no case employs workers under 14 years old.
<b>EP 5 a 5</b>	<b>The institution assesses employees' health and safety risks and takes steps to mitigate them.</b>
Indicator 5 a 5 1	The institution performs, at least annually, an assessment of the health and safety risks that employees face on the job, and these results are disaggregated by gender.
Indicator 5 a 5 2	Based on this assessment, the institution provides to employees, free of charge, all necessary training to mitigate those risks.
Indicator 5 a 5 3	Based on this assessment, the institution provides to employees, free of charge, all necessary equipment to mitigate those risks and that equipment is equally distributed to male and female employees.
Indicator 5 a 5 4	culture.
<b>EP 5 a 6</b>	<b>The institution documents, reports, and investigates all occupational accidents, injuries or diseases.</b>
Indicator 5 a 6 1	The institution documents, reports, and investigates all occupational accidents, injuries or diseases.

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**

*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

Indicator 5 a 6 2     **The HR Manager has reviewed, within the last year, the report on occupational accidents or illness.**

Indicator 5 a 6 3     **The institution compensates employees who miss work due to work-related injuries.**

**Standard 5 b     The institution communicates to all employees the terms of their employment and provides training for essential job functions.**

**EP 5 b 1     Employees receive a written job description and employment contract.**

Indicator 5 b 1 1     **Each employee has a written employment contract that includes his/her salary, benefits, and employment conditions.**

Indicator 5 b 1 2     **Each employee receives a written job description for his/her position. The employee’s scope of work is defined during their orientation and revised as needed in a timely manner.**

Indicator 5 b 1 3     **The institution provides employees a written copy of the work rules and possible sanctions.**

**EP 5 b 2     Employees receive job-specific training and/or skill development.**

Indicator 5 b 2 1     **Over the last 12 months, the majority of employees has received ongoing skills training and/or skill development necessary to perform his/her essential job functions.**

Indicator 5 b 2 2     **Each employee receives an orientation and specific job training:**

    Detail 5 b 2 2 1     At the beginning of his/her employment

    Detail 5 b 2 2 2     Whenever s/he receives a promotion

Indicator 5 b 2 3     **categories of employees (e.g. male/female, management/employees, HQ/branches). And if unjustified discrepancies exist, action is taken to correct them.**

**EP 5 b 3     Each employee understands how his/her performance will be evaluated and rewarded by the institution.**

Indicator 5 b 3 1     **The institution has a policy that employees with good performance evaluations can achieve promotions and raises.**

Indicator 5 b 3 2     **Each employee receives a document describing the performance evaluation process with:**

    Detail 5 b 3 2 1     Up-to-date performance metrics

    Detail 5 b 3 2 2     Explanation of the incentive/reward system (if applicable)

Indicator 5 b 3 3     **The incentive/reward system is clear enough to allow a generally good understanding by the employees.**

Indicator 5 b 3 4     **The evaluation and reward system is periodically reviewed to ensure fair application.**

**Standard 5 c     The institution monitors employee satisfaction and turnover.**

**EP 5 c 1     The institution analyzes employee satisfaction.**

Indicator 5 c 1 1     **In the past 12 months, the institution has completed an analysis of employee satisfaction (including disaggregation of results by gender) and shared the results with the employees.**

Indicator 5 c 1 2     **Formal satisfaction surveys ask employees to comment on topics such as:**

    \* 5 c 1 2 1 i     *Employment terms, including contract duration and remuneration*

    \* 5 c 1 2 2 i     *Workload*

    \* 5 c 1 2 3 i     *Employee training*

    \* 5 c 1 2 4 i     *Career advancement opportunities*

    \* 5 c 1 2 5 i     *Physical resources/infrastructure/equipment*



**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**  
*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

- \* 5 c 1 2 6 i      *Communication, participation, and leadership from supervisors*
- \* 5 c 1 2 7 i      *Communication and teamwork from peers*
- \* 5 c 1 2 8 i      *Conflict resolution practices*
- \* 5 c 1 2 9 i      *Human Resources support services*

**Indicator 5 c 1 3      Employee satisfaction surveys are conducted anonymously.**

**EP 5 c 2      The institution monitors the rate of employee turnover and understands the reasons for employee exit.**

**Indicator 5 c 2 1      The institution provides all out going employees the opportunity for an exit interview or to complete an exit form.**

**Indicator 5 c 2 2      The institution annually analyzes:**

- Detail 5 c 2 2 1      Rate of employee turnover
- Detail 5 c 2 2 2      Reasons for employee exit
- Detail 5 c 2 2 3      Concentration in relevant categories (e.g., employee level, gender, reason for departure)

**EP 5 c 3      The institution takes action to correct institutional problems leading to employee turnover and dissatisfaction.**

**Indicator 5 c 3 1      Senior management has taken corrective action to address issues identified in analysis of employee satisfaction for factors over which the institution has control**

**Dimension 6      BALANCE FINANCIAL AND SOCIAL PERFORMANCE**

**Standard 6 a      The institution sets and monitors growth rates that promote both financial sustainability and client well-being.**

**EP 6 a 1      The institution establishes a policy on sustainable target growth rates, approved by the board, for all branches/regions and all product types, considering the institution's growth capacity and the markets being targeted.**

**Indicator 6 a 1 1      Growth rates are set:**

- Detail 6 a 1 1 1      For each branch/region
- Detail 6 a 1 1 2      By product type
- Detail 6 a 1 1 3      Based on a 3-5 year time horizon

**Indicator 6 a 1 2      Growth rates are set considering the following external factors:**

- Detail 6 a 1 2 1      Demand by client type based on market research, credit bureau information, network data or other sources
- Detail 6 a 1 2 2      Penetration rates, using competitor's current and projected growth rates
- Detail 6 a 1 2 3      Market potential and saturation analysis
- Detail 6 a 1 2 4      Market infrastructure

**Indicator 6 a 1 3      Growth rates are set considering the following internal factors:**

- Detail 6 a 1 3 1      Management team workload and skills
- Detail 6 a 1 3 2      Internal control and internal audit capabilities related to risk management
- Detail 6 a 1 3 3      Key operational procedures, including credit management policies, have been documented
- Detail 6 a 1 3 4      Human resource capability, including employee number, skills, training, turn-over and productivity
- Detail 6 a 1 3 5      Management information system quality and capacity
- Detail 6 a 1 3 6      Financing sources and terms

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**  
*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

Indicator 6 a 1 4	<b>The institution has set guidelines/thresholds for sustainable growth targets.</b>
EP 6 a 2	<b>The institution analyzes growth rates and market saturation to assess whether growth policies ensure both financial sustainability and client well-being.</b>
Indicator 6 a 2 1	<b>The institution monitors market conditions:</b>
Detail 6 a 2 1 1	For each branch/region
Detail 6 a 2 1 2	Quarterly
Indicator 6 a 2 2	<b>If growth-related risks due to the external conditions are detected, the management takes corrective measures.</b>
Indicator 6 a 2 3	<b>The institution analyzes the following to compare targets to actual performance:</b>
Detail 6 a 2 3 1	Growth in number of loans
Detail 6 a 2 3 2	Growth in outstanding portfolio
Detail 6 a 2 3 3	Growth in savings balance
Detail 6 a 2 3 4	Growth in new client recruitment
Detail 6 a 2 3 5	Analysis of growth rate compared to changes in PAR 30
Indicator 6 a 2 4	<b>If actual growth exceeds growth-related targets, the management reviews the causes and outcomes for that, and takes corrective measures as necessary.</b>
EP 6 a 3	<b>The institution monitors whether its internal capacity is keeping pace with institutional growth in number of clients and amount of loans and deposits, and enhances that capacity as needed.</b>
Indicator 6 a 3 1	<b>Senior management monitors:</b>
Detail 6 a 3 1 1	Actual compared to projected growth rates
Detail 6 a 3 1 2	Internal audit findings, with a specific focus on new and high growth branches
Detail 6 a 3 1 3	Quality and capacity of management information system
Detail 6 a 3 1 4	Quality and capacity of internal controls
Detail 6 a 3 1 5	Service quality—as evaluated by management, internal audit, and clients
Indicator 6 a 3 2	<b>The institution monitors employee capacity, including:</b>
Detail 6 a 3 2 1	Number of employees
Detail 6 a 3 2 2	Employee training
Detail 6 a 3 2 3	Employee turnover
Detail 6 a 3 2 4	Clients per loan officer
Detail 6 a 3 2 5	Employees per manager
Indicator 6 a 3 3	<b>Monitoring is done:</b>
Detail 6 a 3 3 1	For each branch/region
Detail 6 a 3 3 2	Quarterly
Indicator 6 a 3 4	<b>If growth-related risks due to the internal conditions are detected, the management takes corrective measures.</b>
Standard 6 b	<b>Equity investors, lenders, board and management are aligned on the institution’s double bottom line and implement an appropriate financial structure in its mix of sources, terms, and desired returns.</b>

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**  
*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

<b>EP 6 b 1</b>	<b>The institution has clear policies, consistent with its social goals, on its desired level of returns and on how those returns will be used.</b>
<b>Indicator 6 b 1 1</b>	<b>The institution has clearly defined targets or ranges for profitability ratios such as:</b>
Detail 6 b 1 1 1	Return on Assets (ROA)
Detail 6 b 1 1 2	Return on Equity (ROE)
Detail 6 b 1 1 3	Margin caps
Detail 6 b 1 1 4	Reinvestment of profits
<b>Indicator 6 b 1 2</b>	<b>The institution specifies how defined targets or ranges balance financial and social goals.</b>
<b>Indicator 6 b 1 3</b>	<b>The institution has clearly defined guidelines on profitability and the use of profits which are in line with its social goals.</b>
<b>Indicator 6 b 1 4</b>	<b>The board of directors reviews the actual profit allocations annually to ensure they are in line with the guidelines.</b>
<b>EP 6 b 2</b>	<b>The institution engages with funders whose expectations for financial returns, timeframe and exit strategies are aligned with the institution's social goals and stage of development.</b>
	<b>The institution and its funders (e.g. investors, lenders, shareholders, donors) have a written document that specifies:</b>
<b>Indicator 6 b 2 1</b>	
Detail 6 b 2 1 1	The institution's mission and social goals
Detail 6 b 2 1 2	Expectations for financial returns
Detail 6 b 2 1 3	Timeframe for the investment
Detail 6 b 2 1 4	Planned exit strategy
<b>Indicator 6 b 2 2</b>	<b>The institution engages in deep discussion with potential new investors to ensure time frames and exit strategy are aligned with social goals and level of development.</b>
<b>EP 6 b 3</b>	<b>When deciding on funding sources, the institution considers how cost of capital is passed on to the client.</b>
<b>Indicator 6 b 3 1</b>	<b>The institution compares cost of capital from different sources, and analyzes the consequences on interest rates.</b>
<b>Indicator 6 b 3 2</b>	<b>The institution ensures that cost of capital allows for affordable interest rates and institutional viability, given market conditions, operational expenses and social objectives.</b>
<b>EP 6 b 4</b>	<b>The institution minimizes financial risk as it relates to its obligations to clients, such as savings and cash collateral.</b>
<b>Indicator 6 b 4 1</b>	<b>claims etc.).</b>
<b>Indicator 6 b 4 2</b>	<b>The institution's investor and shareholder agreements include a policy on liabilities to clients that establishes them as a higher priority than the institution's returns to its shareholders, if allowed by local regulation.</b>
<b>EP 6 b 5</b>	<b>The institution has a transparent financial structure, as reflected in its annual audited financial statements that incorporate any off-balance sheet sources of funding into leverage ratios.</b>
<b>Indicator 6 b 5 1</b>	<b>The institution discloses in its financial statements :</b>
Detail 6 b 5 1 1	All risks related to assets or liabilities (foreign exchange risk, interest rate risk, maturity risk).
Detail 6 b 5 1 2	Contingent liability
Detail 6 b 5 1 3	Foreign exchange

**Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4**  
*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

Detail 6 b 5 1 4	Off-balance sheet items
Indicator 6 b 5 2	<b>The institution provides all details of its shareholder structure and participations in other companies</b>
Indicator 6 b 5 3	<b>The institution's annual audited accounts are publicly available</b>
<b>Standard 6 c</b>	<b>Pursuit of profits does not undermine the long-term sustainability of the institution or client well-being.</b>
<b>EP 6 c 1</b>	<b>Products and services offer value to the client for the price.</b>
<b>Indicator 6 c 1 1</b>	<b>The institution ensures that it offers clients value for the price of its products by carrying out an analysis of relevant factors, such as:</b>
Detail 6 c 1 1 1	Competitors's prices on similar products
Detail 6 c 1 1 2	Client feedback on affordability of products
Detail 6 c 1 1 3	Market research on client willingness to pay for products
Detail 6 c 1 1 4	Client satisfaction with products
Indicator 6 c 1 2	<b>The institution has a formal policy on how to use the profits generated by the institution to benefit clients</b>
<b>EP 6 c 2</b>	<b>The institution offers market-based, non-discriminatory pricing. (Client Protection standard 4.1)</b>
<b>Indicator 6 c 2 1</b>	<b>The institution offers market-based, non-discriminatory pricing.</b>
Detail 6 c 2 1 1	Market-based
Detail 6 c 2 1 2	Non-discriminatory
<b>EP 6 c 3</b>	<b>The institution has efficiency ratios aligned with peers. (Client Protection standard 4.2)</b>
<b>Indicator 6 c 3 1</b>	<b>The institution has efficiency ratios aligned with peers.</b>
<b>Indicator 6 c 3 2</b>	<b>The institution identifies areas of inefficiency and takes measures to improve continuously on efficiency, while taking client and employee well-being into account.</b>
<b>Indicator 6 c 3 3</b>	<b>The institution assesses the difference between the Annual Percentage Rate (APR) on its main product(s) and its cost of funds, to ensure that the margin is sufficient but not excessive.</b>
<b>EP 6 c 4</b>	<b>The institution does not charge excessive fees. (Client Protection standard 4.3)</b>
<b>Indicator 6 c 4 1</b>	<b>The institution's pre-payment penalties, account closure fees, transaction fees or other penalties are not excessive.</b>
Detail 6 c 4 1 1	For pre-payment penalties
Detail 6 c 4 1 2	For account closure fees, transaction fees or other penalties
<b>EP 6 c 5</b>	<b>The board monitors whether the institution's pricing levels are consistent with the institution's policies on returns.</b>
<b>Indicator 6 c 5 1</b>	<b>The board monitors the institution's pricing levels and, if necessary, takes corrective action after reviewing the following topics:</b>
Detail 6 c 5 1 1	The institution's prices and APR per product
Detail 6 c 5 1 2	Whether pricing levels are consistent with the institution's policies on returns
Detail 6 c 5 1 3	Whether pricing levels are consistent with the institution's target population
Detail 6 c 5 1 4	Whether pricing is aligned with market rates for comparable products
<b>EP 6 c 6</b>	<b>The institution establishes a field-officer-to-client ratio that promotes high service quality for clients.</b>
<b>Indicator 6 c 6 1</b>	<b>The institution sets and refines its threshold for number of clients per loan officer based on periodic analysis of:</b>
Detail 6 c 6 1 1	Market conditions
Detail 6 c 6 1 2	Portfolio quality

## Universal Standards for Social Performance Management: standards, essential practices, and indicators in the SPI 4

*(jointly developed by the Social Performance Task Force, CERISE, and an expert panel; revised as of 2014-04-11)*

Detail 6 c 6 1 3	Client satisfaction with loan officer's customer service
Detail 6 c 6 1 4	Client satisfaction with educational sessions provided by loan officers (where applicable)
Standard 6 d	<b>The institution offers compensation to senior managers that is appropriate to a double bottom line institution.</b>
EP 6 d 1	<b>The board ensures that compensation of the CEO/Managing Director and other senior staff is in line with the institution's social goals.</b>
Indicator 6 d 1 1	<b>The CEO/Managing Director's compensation is:</b>
Detail 6 d 1 1 1	Set/reviewed by independent board directors and not by the CEO/Managing Director him/herself
Detail 6 d 1 1 2	Takes into account the results of the evaluation of the CEO/Managing Director's performance (see Essential Practice 2b.3).
Indicator 6 d 1 2	<b>The board, including independent (non-management) members, periodically reviews the compensation of the CEO/Managing Director and other senior managers to ensure that it is comparable to institutions with a similar double bottom-line commitment.</b>
EP 6 d 2	<b>If senior management compensation is in part incentive-based, the incentives take into account the evaluation of the manager's social and financial performance</b>
Indicator 6 d 2 1	<b>When determining compensation levels of the CEO/Managing Director, the board incorporates the social performance evaluation noted in the indicator under Essential Practice 2b.3.</b>
Indicator 6 d 2 2	<b>When determining compensation levels of senior managers, the CEO/Managing Director incorporates any social performance targets noted in the Indicators under Essential Practice 2c.5.</b>
EP 6 d 3	<b>Upon request, the institution transparently discloses compensation to regulators, auditors, raters, donors, lenders, and investors.</b>
Indicator 6 d 3 1	<b>In keeping with the International Financial Reporting Standards (IFRS), the institution transparently discloses compensation to regulators, donors, raters, and investors, upon request.</b>
EP 6 d 4	<b>The institution calculates the difference between the average compensation of its top level executives and its field employees, and analyzes whether this spread is consistent with the institution's mission.</b>
Indicator 6 d 4 1	<b>The institution calculates the difference between the average annual compensation of its top level executives (e.g., CEO/Managing Director, CFO) and its field employees (loan officers).</b>
Indicator 6 d 4 2	<b>The board and senior management reviews the above calculation and evaluates whether this spread is consistent with the institution's mission, social goals, and commitment to treat employees responsibly.</b>