Impact Report

2024 August

Gojo & Company, Inc.

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A Word From Taejun, Our CEO

Thank you for opening our Impact Report for FY2024/03.

It has been ten years since Gojo started our journey in July 2014. Gojo has reached 2.4 million clients as of March 2024. One of the key discussions that we have had until today was, "Can for-profit microfinance companies really serve the clients?" Let me provide some more context.

The first-generation microfinance movement, born from an expansion of a grassroots-level financial inclusion movement with a primary aim of poverty alleviation, proved to be successful both in impact creation and profit making. This economic success led to a shift in funders — donors became less keen on giving grants to microfinance, and investors (originally more social-impact-oriented, and later more commercial-oriented) began to replace these donors. Now, it is difficult to see a donor willing to give grants to MFIs (microfinance institutions) except for the services related to climate change or technology.

Thirty years ago, when there were no shareholders whose interest were to make a profit by exploiting clients, it was easy for MFIs to work in the best interest of the clients. Many first-generation MFIs were owned mainly by founders and clients, and there was less tension between the company and its clients. However, because of the shift of the funders, commercial investors became major shareholders of new-generation MFIs.

Although the trend is for corporations to update their purposes in light of stakeholder capitalism, most countries' corporate laws stipulate that companies belong to their shareholders. Therefore, the change in the shareholders' nature indeed brought about a change in the companies. The transition of the shareholder base gradually started to cause side effects, which we saw more than a decade ago. One was an IPO (initial public offering) of a Mexican MFI Compartamos in 2007, which used to charge 80% interest to the clients to grow the business faster and make bigger profits[1]. Another was the Indian microfinance crisis triggered by SKS Microfinance in 2008, an Indian MFI which made its second IPO as an MFI globally. I think it's ironic that these two events happened right after the acquisition of the Nobel Peace Prize was awarded to Grameen Bank and Dr. Muhammad Yunus in 2006.

1 Rosenberg, R. (2007). *CGAP Reflections on the Compartamos Initial Public Offering: A Case Study on Microfinance Interest Rates and Profits.* Consultative Group to Assist the Poor. https://www.cgap.org/research/publication/cgap-reflections-on-compartamos-initial-public-offering

Since these incidents, driven by the commercialisation of microfinance, the sector has started to strengthen the establishment of standards of SPM (social performance management) with SPI (social performance indicator) audits and Client Protection Certification programs. The sector thought that it had learned from the past and was ready to achieve the double or triple bottom line in this new era of microfinance.

Cambodia is undergoing an unprecedented over-indebtedness situation driven by multiple factors: (1) a dollarized economy and pro-foreign investors regulation, which made the country an attractive investment destination, and (2) the exit of impact-oriented shareholders from major MFIs, sometimes lacking the concept of “responsible exit” and replaced by commercial shareholders. We have also heard many cases of aggressive collection by MFIs. We learned that when the over-indebtedness is systemic, what one company can do to mitigate the crisis is fairly limited. For example, even if we assess our clients’ solvency diligently, soon after their loan transaction with us, the other MFIs could approach our clients, pushing them into over-indebtedness. Fortunately, at Gojo Group, we have not seen serious violations of Client Protection Standards. Still, we have to be conscious that we may face more challenges to achieve the double bottom line of financial growth and social impact, especially as we prepare for our IPO. Nevertheless, we do all we can to prevent and resolve over-indebtedness among our clients.

It has been half a century since the birth of modern microfinance. Due to many events, many donors and impact-oriented investors have become less keen on financial inclusion, despite the sheer fact that millions of people around the world are still excluded. For this very reason, we have to carry on working to extend financial inclusion despite this challenging situation and thus keep having serious discussions internally to see what we can do.

In this report, we show you where we are in our efforts. I hope you will enjoy reading it.

A coconut farmer in Ayeyarwady, Myanmar / Taejun Shin

Gojo's Vision, Mission, and Guiding Principles

Vision

Create a world where everyone can determine their future

Mission

Extend financial inclusion across the globe

Our Goal

To enable the provision of high-quality affordable financial services in 50 countries

Guiding Principles

Our Guiding Principles are inspired by Greek philosophy, and centre on the trinity of Truth, Ethics, and Aesthetics, together with the principle of Consistency. We reference the Guiding Principles in all of Gojo's policy documents and strive to follow them in everything we do.

Truth:	Think and behave rightly
Ethics:	Do nothing with which we cannot face our clients, family, and friends
Aesthetics:	Pursue the best quality, the best efficiency, and the best simplicity
Consistency:	Be consistent in what we believe, what we speak, and what we do

Gojo Values

Our name, "Gojo" (五常), comes from the 5 Confucian values of empathy, integrity, courtesy, wisdom, and trust. We use a modern interpretation of the values to guide our decisions and day-to-day work.

仁 Empathy	**Stand by our Clients** We strive to see things from the perspective of our end clients so that our services support their goals.
義 Integrity	**Act on Principles** We are guided in all we do by our principles without exception.
礼 Courtesy	**Listen First** We always keep an open mind and uphold everyone's right to be heard and respected.
知 Wisdom	**Learn–Think–Share** We challenge the conventional, consider the practical, and share our knowledge with others.
信 Trust	**Be Genuine** We build trust and demonstrate our loyalty by telling the truth without concern for appearances.

A Word From an Early Investor

In May 2014, two months before Gojo was established, I met Taejun for the first time. My co-founders and I had been discussing the sale of a company I founded but lacked knowledge about M&A (Merger & Acquisition), so we decided to ask Taejun, a friend of my co-founder, to provide M&A advisory services for us. He was extremely busy launching Gojo, but he managed the impressive feat of leading the negotiation for us and establishing Gojo at the same time. The days we spent working together to create the necessary documentation are still fond memories for me. We successfully closed the share transfer agreement after three months, and I invested part of the capital gain, becoming an early-stage shareholder of Gojo.

I invested in Gojo, which was in its infancy back then, not only because I trusted Taejun unconditionally, but also because I was fascinated by the company's vision. The stories of typical microfinance clients that Taejun told me were easy to comprehend for someone like me who did not have any knowledge about financial inclusion. Those stories were set in tiny villages in places like Cambodia and Sri Lanka, where clients were buying and raising cows or investing in sewing machines to make clothes. These stories made me believe that my investment would contribute to improving someone else's life.

That belief was confirmed when I visited Sri Lanka in 2017. Taejun took me to Sejaya, Gojo's group company in Sri Lanka, and we talked with Sejaya's clients in a small centre meeting. There was the friendly atmosphere of a group of neighbours, and it was a precious experience for me to feel the reality of the clients' lives. I gather that many other shareholders of Gojo would agree with me — it is really gratifying, especially when the world is going through tough times, to see that our investment in Gojo is contributing, beyond the growth of the business, to someone else's happiness.

While writing this note, I was reading my diary entry from the day I first met Taejun. It read, "First meeting with Taejun. Capable and a good guy. Reliable." That impression hasn't changed in ten years. What is most important to me, above all, is that he has always been a good guy. He stands for the people in weaker positions, not for his personal interest, and works extremely hard to create a better society. Not many people can do this.

Needless to say, an organisation doesn't progress thanks to just one capable leader. To the best of my knowledge, Gojo's members are all very capable and are working hard to advance Gojo's mission. Gathering such an excellent team might be Taejun's biggest achievement at Gojo. I hope that Gojo, which started ten years ago as a small boat with just a handful of people, will become an ark that helps many people all over the world.

Takuya Oyama

Key Highlights

Gojo's mission is to extend financial inclusion across the globe, and we do so by providing high-quality, affordable financial services. Through nine group companies in five countries, Gojo Group served 2.4 million clients reaching a GLP (gross loan portfolio) of USD 817 million as of March 2024 (consolidated base). Almost all of our clients are women, and four out of five live in rural areas.

In this report, we go back to basics as we shed light on financial inclusion. In the 'What Is Financial Inclusion?' section, we discuss its key features — access, quality, and affordability. We touch upon the business model that helps us sustain our efforts and what the positive and negative outcomes of microfinance are. At Gojo, the extent to which we facilitate financial inclusion is studied by understanding our outreach, and by how our clients experience our products and services.

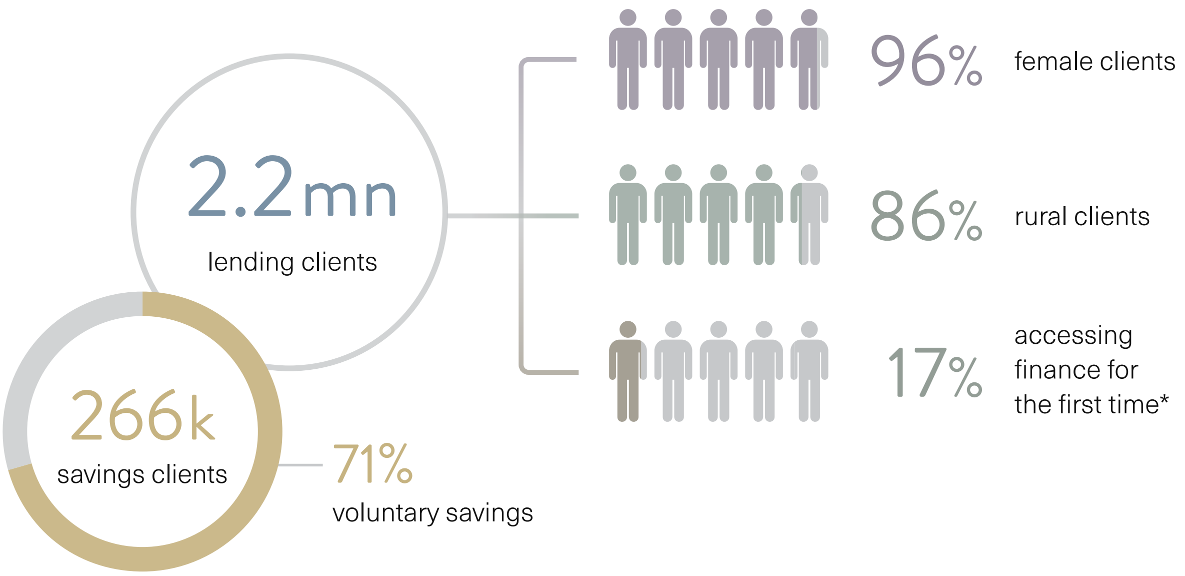
However, we do not speak only about the positive facets of microfinance. We dive deeper into over-indebtedness, one of the risks associated with the microfinance business model. In the 'Understanding Over-Indebtedness' section, we explore its complex causes, the impact of debt stress on clients' lives, and what Gojo Group is doing to respond to this issue. We expand on the mechanisms we use to prevent harm to clients and ensure responsible organisational practices across the group in the 'Social Performance Management' section.

We also celebrate new milestones: the establishment of Gojo's venture capital fund UNLEASH, the launch of a client mobile app under the Pasio program, a significant increase in the percentage of women members in Gojo, and the expansion of the scope of our GHG (greenhouse gas) emissions calculations. You may read more about them in their respective sections.

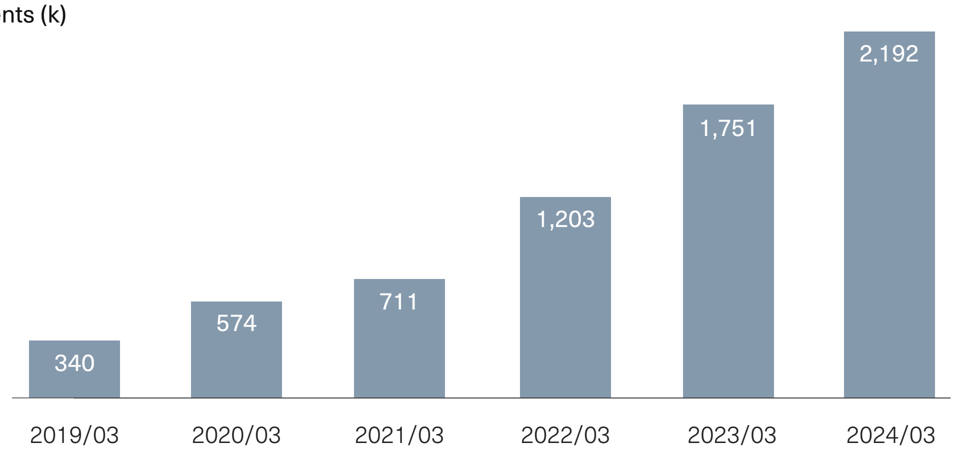
Finally, short client stories will meet you throughout the report to give you a glimpse of the field. Please read on to learn more about Gojo's work and impact in FY2024/03.

Our Clients In Numbers

Gojo Group encompasses **2.4 million** clients[2] across the globe as of March 2024.



Gojo Group total lending clients (k)

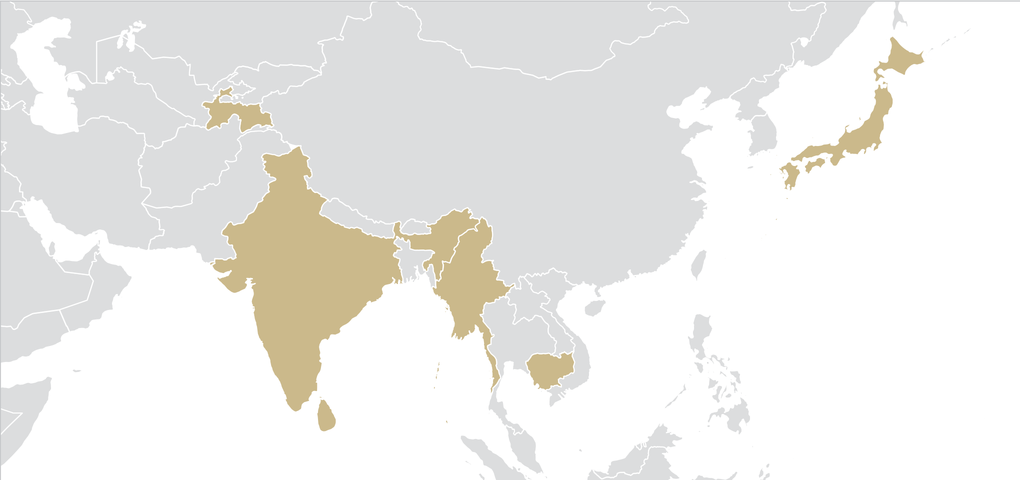


	2019/03	2020/03	2021/03	2022/03	2023/03	2024/03
Women ratio** (%)	99	99	99	95	95	96
Rural ratio*** (%)	87	89	87	82	87	86

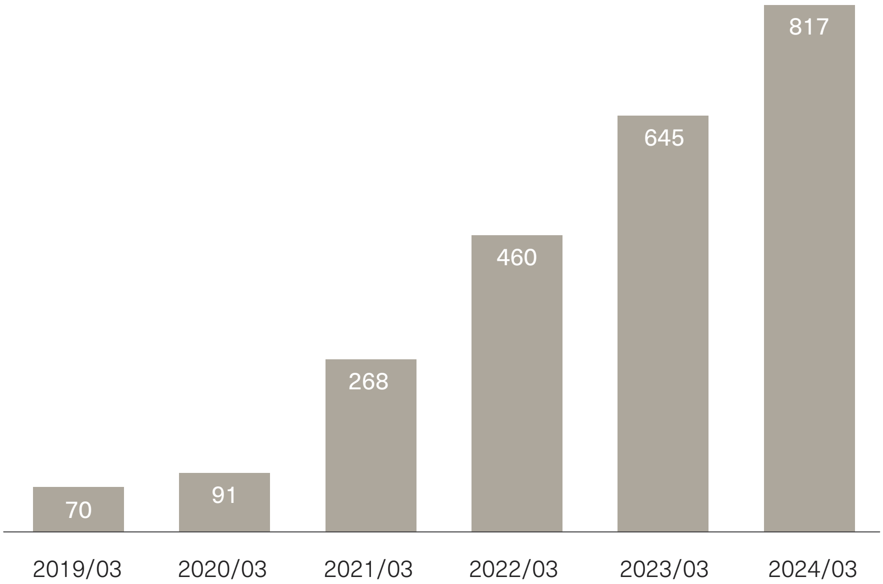
*Number of SATYA clients accessing finance for the first time as a percentage of the total number of new SATYA clients in FY2024/03.
**Women ratio excludes Ananya retail clients (~2022/3), Ananya wholesale clients, Loan Frame, and UNLEASH.
***Rural ratio excludes MIFIDA (~2019/6), Ananya retail clients (~2022/3), Ananya wholesale clients, Sejaya, Loan Frame, UNLEASH, and MyShubhLife.

2 Aggregated unique clients of Gojo Group total, excluding Ananya wholesale, Loan Frame, and UNLEASH.

Gojo Group's operations



Gojo's consolidated Gross Loan Portfolio (USD mn)



Gojo's consolidated lending clients and GLP as of March 2024

	Company name	No. of lending clients (k)	Gross Loan Portfolio (USD mn)
India	SATYA	1,710	605
	Ananya	129	53
Tajikistan	Humo	106	101
Myanmar	MIFIDA	58	21
Cambodia	MAXIMA	10	30
Sri Lanka	Sejaya	72	8
Consolidated total		2,085	817

*Converted from local currency to USD with the foreign exchange rates as of March 2024 for SATYA, Ananya, MIFIDA, and December 2023 for Humo, MAXIMA, and Sejaya.
**SATYA includes SATYA Micro Housing and Ananya includes Prayas Financial Services while excluding it's wholesale clients.

Business Overview

How we translate funds into impact

Gojo's business is to extend financial inclusion by helping socially impactful financial service providers succeed. We expand our footprint through the investment and acquisition of financial service providers. Gojo Group now consists of the holding company Gojo & Company ("Gojo") and nine group companies in five countries — Cambodia, Sri Lanka, Myanmar, India and Tajikistan — that provide various financial services, such as microcredit and microsavings. The group companies receive interest and fees from our clients; Gojo then consolidates the group companies' profits and receives dividends and fees. Gojo provides support for management as well as equity and debt fundraising, implements global standard governance and drives operational excellence and innovation to deliver impact at scale.

Funds Raised

Gojo raises equity financing to strengthen Gojo's financial foundation, enabling us to invest in further growth and impact of our group companies.

Due Diligence

We conduct a rigorous due diligence process with potential investees, incorporating the ALINUS indicators into our process. We focus particularly on their alignment with Gojo's mission and ability to achieve both financial sustainability and social impact.

Capital Injection

We invest in our group companies to expand their business and support their continued growth.

Recruitment and Retention

We recruit world-class talent from diverse backgrounds, and work to create a supportive, principled culture where everyone can be their best selves.

Management Support

Gojo provides management support to group companies according to their needs.

Operations

We work with group companies to improve local operations, implement best practices, and develop effective policies and processes. If necessary, we also facilitate turnarounds.

Finance

We help group companies to find and negotiate debt funding to support their operations. Gojo works on optimising funding cost and diversifying sources of funds by pursuing global scale and risk diversification.

Governance

We implement global standard governance by streamlining board and committee structures, implementing whistleblowing policy, anti-money laundering policy and so on.

Innovation

We support group companies in developing client / staff applications, new digital products, fully digitised call centres and so on to improve operational efficiency.

Impact Measurement and Social Performance Management

We work closely with impact measurement and SPM Leads in each group company to conduct SPI audits, collect data on outcome indicators through surveys, and conduct primary research into clients' use of financial services.

Overview of Group Companies[3]

Date of investment

August 2014

MAXIMA Microfinance, Cambodia

10 thousand clients
Gojo's ownership: 61.6%

MAXIMA serves mostly rural low-income households and SMEs (Small and Medium Enterprises), helping them improve their socio-economic situation in a sustainable way. They provide loans for agriculture, home improvement, business and education. They provide a wide range of loan sizes starting from USD 50 and recently started offering a Village Banking model to promote services closer to the community. MAXIMA has been certified for Client Protection since 2018.

February 2015

Sejaya Micro Credit, Sri Lanka

72 thousand clients
Gojo's ownership: 100.0%

Sejaya, founded by Gojo in 2015, offers group loans and business loans with the aims of poverty reduction, job creation, and social uplift. They are one of only four licensed microfinance companies in Sri Lanka, regulated by the central bank. They also collaborated with Gojo on a financial diaries project in Sri Lanka, contributing to the research plans and providing support for project logistics. Sejaya obtained their Client Protection Certificate in 2023.

August 2015

Microfinance Delta International (MIFIDA), Myanmar

87 thousand clients (Aggregate of lending and saving clients)
Gojo's ownership: 85.7%

MIFIDA aims to extend financial inclusion across Myanmar. They offer microenterprise, education, and emergency loans as well as voluntary savings for clients, focusing on women and rural entrepreneurs. Myanmar is still under political unrest, but MIFIDA continues to improve their client protection practices, for instance by conducting an SPI5 audit in 2023. MIFIDA has been certified for Client Protection since 2019 and was re-audited in 2022.

February 2018

Ananya Finance for Inclusive Growth, India

129 thousand clients (including Prayas Financial Services) / 23 wholesale partners
Gojo's ownership: 76.9%

Ananya's mission is to create sustainable and inclusive impact by serving as a bridge between potential investors and the underserved population of India. They provide wholesale lending and capacity-building support to MFIs, agrifinance providers, and other SMEs. Through their subsidiary called Prayas, they reach micro-borrowers through retail loans.

3 Gojo's ownership is non-diluted basis

July 2018

SATYA MicroCapital, India

1,710 thousand client (including SATYA Micro Housing)
Gojo's ownership: 70.7%

SATYA is one of the fastest growing MFIs in India and our largest group company in terms of number of clients and GLP. They provide group and individual loans, as well as loans for WASH (water, sanitation and hygiene), energy, and education. SATYA obtained their Client Protection Certificate in 2023, receiving a Gold level certification from M-CRIL.

August 2019

AVIOM India Housing Finance, India

87 thousand clients
Gojo's ownership: 19.9%

AVIOM's mission is to empower women and provide them with financial independence. They specialise in affordable housing finance, offering home loans to families in semi-urban areas helping them realise their dream of owning a home. They also provide finance for home upgrades, extensions, and sanitation.

December 2019

Loan Frame Technologies, India

1,142 SME clients
Gojo's ownership: 26.3%

Loan Frame is a supply chain finance platform serving the 'missing middle' by aiming to build the largest SME lending marketplace in India. A high-tech startup, they developed their own cutting-edge proprietary scoring and risk assessment algorithms that process traditional and alternative data, and has full automation of lending flows enabling same-day disbursals.

September 2021

CSJC MDO Humo, Tajikistan

302 thousand clients (Aggregate of lending, saving, cards, online banking clients etc.)
Gojo's ownership: 97.0%

Humo is one of the leading microcredit deposit organisations in Tajikistan, serving the rural population and SMEs across the country. They offer individual and SME loans, deposit and remittance services, and a mobile wallet called Humo Online that facilitates quick access to online payment and banking services. Humo has demonstrated their commitment to client protection by completing an SPI5 audit in March 2024.

May 2022

MyShubhLife, India

21 thousand clients
Gojo's ownership: 19.9%

MyShubhLife is a full-stack financial services platform catering to the underserved 'next half billion segment', who are not yet part of the formal credit system. They offer a wide range of financial products from loans to e-filing taxes via their Android app, available in six Indian local languages.

Establishment of UNLEASH Capital Partners

UNLEASH

UNLEASH Capital Partners (“UNLEASH”) is a venture capital fund focused on early-stage inclusive fintech startups in India, and was jointly established with our former employee in October 2023. The initiative is part of a strategy to engage with early-stage tech-enabled startups to further explore financial inclusion in forms other than microfinance. By December 2023, UNLEASH raised USD 30 million from various investors in Japan, with Gojo and Sumitomo Mitsui Banking Corporation being the anchor investors for its first fund. We also deputed one of our Executive Committee members as a co-General Partner. While the target companies are different from Gojo’s, UNLEASH’s vision is aligned with the Gojo Group.

Vision: Enable a world where everyone can determine their future.

Mission: Extend financial inclusion by unleashing bold entrepreneurs’ potential.

As of April 2024, UNLEASH made two investments: (1) AyeKart Fintech, an agriculture-focused fintech platform which reaches out to an active customer base of over twelve thousand including farmers, Farmers Producers Organisation, and MSMEs (Micro Small & Medium Enterprises) in the agri-value chain; and (2) CredRight, a tech-enabled, MSME-focused lender in tier-2/3/4 towns of India, serving approximately nine thousand MSMEs.

Stories From the Field

Fruit seller rebuilding her business

One Burmese client previously ran a prosperous fruit stall at a popular local pagoda and was able to make between MMK 40,000 - 100,000 a day, until Covid-19 and the coup changed everything. During the pandemic, she was forced to shut down her fruit stall for long periods, and political instability in the local area put a stop to the once steady stream of visitors to the pagoda. Initially hopeful that things would start to improve after the first wave of Covid-19, she took a loan of MMK 500,000 from MIFIDA to restart her business. However, she was soon forced to close again during the second wave, and had to spend the remainder of the loan on medicines for her family when they caught Covid-19.

At the time, she was looking after her elderly parents, aged 91 and 93. Her long lack of income meant that, after the loan had all been spent, she had only enough money to buy medicine for one parent at a time. Unfortunately both parents eventually passed away in the extreme heat of summer in 2023, with constant power outages and no way to cool down.

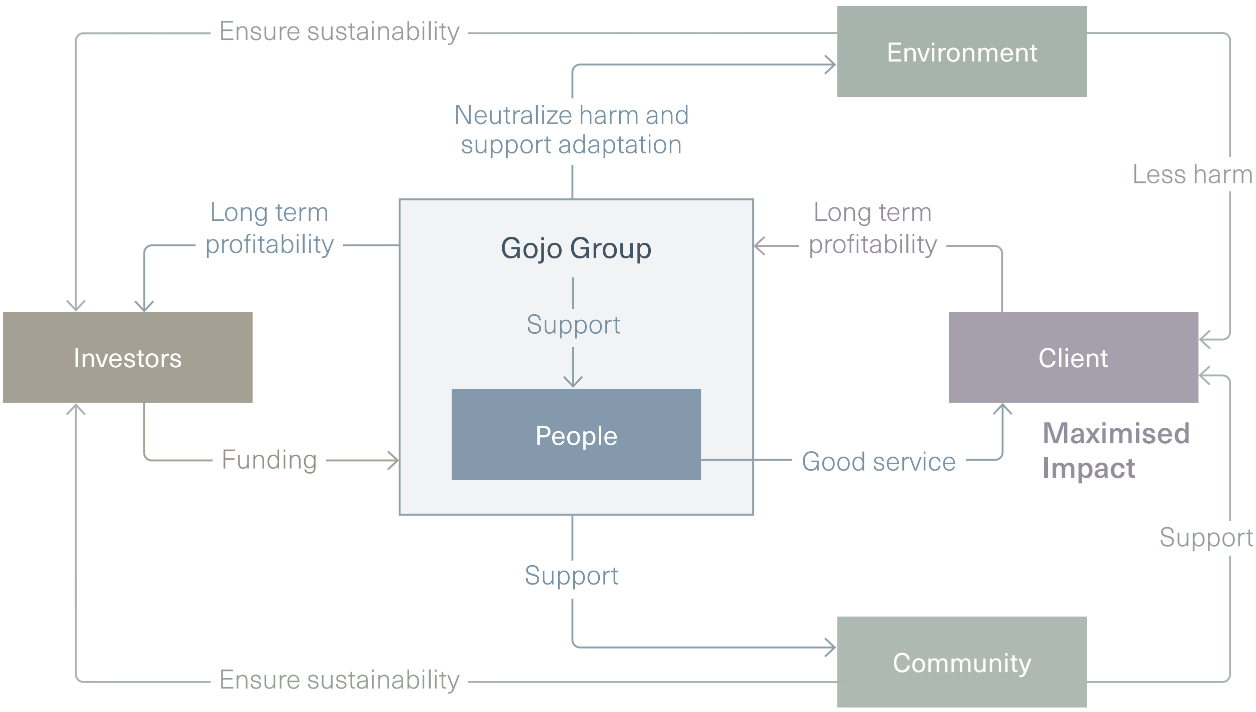
She has now restarted her fruit stall in a small way, but says that she cannot sell much as she does not have enough money to buy shop stock. When we visited her in June 2023, she was able to earn only around MMK 4,000-5,000 a day, but was hoping that things would improve in upcoming months with important religious ceremonies, when more visitors might start coming to the pagoda again.

Stakeholder Impact

Our commitment to stakeholder impact

Gojo is committed to improving clients' circumstances by extending financial inclusion. At the same time, long-term positive impact for clients is only possible in the context of thriving employees and local communities, environmentally-sustainable activities and delivering on our promises to investors. We therefore also focus on bringing a positive impact to our People, Environment, Community, and Investors.

Theory of Change



Our materiality

Gojo's materiality takes into account expectations from various stakeholders to define our priorities for achieving sustainability and impact, in line with our mission. This assessment enables us to allocate resources to the various issues identified and to predict long-term risks and opportunities for our operations.

Gojo Group's materiality map[4]

A	Environmental impact through our activities
B	Environmental and social impact through our clients' activities
C	Impact on our community
D	Commitment to Client Protection Standards
E	Well-being of our clients
F	Health and safety of our employees
G	Happiness of our employees
H	Mission alignment
I	Risk management of environmental / social impact on our business
J	Business adoption to environmental and social changes
K	Business ethics and corporate governance

Gojo therefore prioritises the Client Protection Standards and employee well-being to maximise impact and realise our vision, building on a foundation of strong governance and business ethics.

Gojo Group's materiality

Create a world where everyone can determine their future through financial inclusion

Client Protection Standards

- Fair treatment of clients
- Avoid over-indebtedness
- Transparency
- Client privacy & data security
- Complaint resolution
- Affordable & accessible product

Employee Well-being

- Satisfaction & happiness
- Health & safety
- Diversity & inclusion
- Fair labour practices

Strong **corporate governance** + High level of **integrity & business ethics** as foundation

- Non-tolerance stance towards fraud, corruption, harassment, discrimination, money laundering
- Group corporate governance with transparency and accountability

4 We conducted a survey of key stakeholders from February 15 to April 13, 2022, in which respondents were asked to rate the materiality of each issue from 1 (relatively important) to 5 (significantly important). The graph's x-axis and y-axis starts from the value 3. Respondents include 3 board members, 8 Executive Committee members, 12 External (investors, advisors, and NPOs), 6 Gojo members, 6 CEOs of group companies, and 4 SPM leads of the group.

What Is Financial Inclusion?

The definition of financial inclusion is having access to useful and affordable financial services.

Effects of financial access

Households with access to financial services are more resilient to financial shocks compared to those without. People with savings accounts are less likely to be over-indebted during an economic crisis.

People with access to digital financial services such as mobile money accounts are more financially stable as they are able to save or transfer funds at a lower cost and quickly making them more financially stable.

Access to financial services enable financial independence and strengthen economic empowerment for women. For example, women who are encouraged to save are more able to influence decision making in household, which often results in household expenditure being spent on more useful things.

The receipt of payments such as wages and government support directly into an account in combination with other forms of deposit such as direct deposit makes it easier for more people to make deposits.

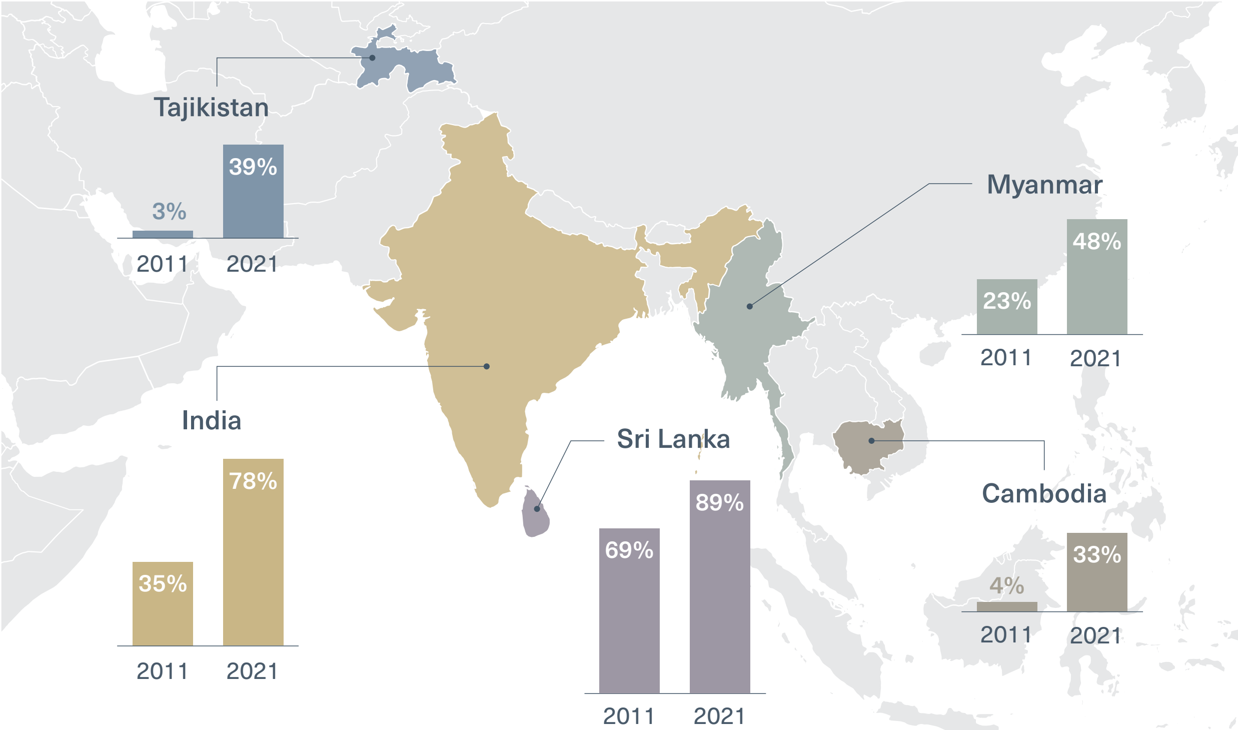
Source: Global Findex Database 2021

Access

For years, the primary goal of microfinance has been to provide vulnerable and marginalised people such as the low-income people in rural communities with access to financial services, particularly loans, so that they could expand their businesses and improve their quality of life. If you are excluded from financial services, you may face unexpected risks especially when you have an emergency and need to come up with a certain amount of cash in a short time, being forced to rely on relatives and friends, or the opportunity loss of not expanding your business. According to the Global Findex Database 2021[5], financial access can have several positive impacts on households. The success of access to financial services is measured in the percentage of an institution's clients accessing loans for the first time, or in the overall proportion of people in the country who have a bank account at a financial institution.

5 https://www.worldbank.org/en/publication/globalfindex/Report

Account ownership at a financial institution or with a mobile money service provider (% of population ages 15+)



Source: Global Findex Database 2021

Quality and affordability

Over time, the original problem microfinance set out to solve has become less prevalent. The Global Findex Database 2021 found that 71% of people in developing economies had an account with a bank, mobile money provider or other financial institutions, compared to just 42% in 2011. Thanks to the global success of microfinance as well as the increasing availability of smartphones and mobile money services, the proportion of people around the world who can truly be said to be financially excluded, in the sense of not having access to any formal financial services, is smaller than ever. As access to financial services have become widespread, the quality and affordability of financial services have come to matter just as much as their availability.

The number of companies willing to offer loans matters very little if the interest rates are so exorbitantly expensive that (in the words of one of our financial diarists[6]) "it kills your business", or if the repayment channels and schedules are so inconvenient as to be almost unusable. Gojo's long-term goal, "To enable the provision of high-quality affordable financial services in 50 countries", thus also reflects this importance of thoughtful and realistic product design.

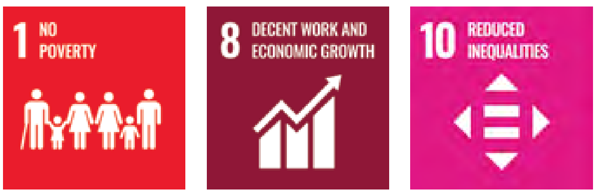
Removing "unfreedom"

Financial inclusion is fundamentally about equity — ensuring that everyone has fair and equal access to a variety of high-quality options that enable them to achieve their goals. In *Development as Freedom*, Nobel prize-winning

6 Financial diaries are Gojo's primary source of quantitative data about how low-income people live and manage their money. We record daily inflow and outflow of money and analyse this to gain insights. As of March 2024 we have conducted financial diaries in Cambodia and Sri Lanka.

economist Amartya Sen defines poverty and deprivation as the lack of social, political and economic freedoms. It is not that people in poverty necessarily make bad choices, but more often that the choices available to them are limited and not favourable. For example, they may have to choose between selling a precious piece of jewellery at short notice for a less-than-ideal price or forgoing medical treatment for their child or their parents. Or they may have to choose between letting a child drop out of school to find work or continuing to struggle on their own with back-breaking labour to feed their family.

Gojo aims to remove one of these "unfreedoms"—the lack of access to quality financial services. Having good options for financial services should provide opportunities for people to preserve assets such as livestock and jewellery to build wealth, or freely decide when to sell them, instead of being forced to sell them for emergencies. They will have the choice to accumulate cash savings, and to keep their businesses running at a reasonable cost year after year through affordable loans. This is why we say that our work primarily targets three SGDs (Sustainable Development Goals): **Goal 1: End poverty in all its forms everywhere**, **Goal 8: Decent work and economic growth** and **Goal 10: Reduced inequalities**.



Microfinance business model

Micro-sized financial services are needed because the repayment schedules, channels and loan amounts that work for people who run tiny businesses in rural villages are different from what works for salaried employees in well-connected urban centres. With a typical bank loan, repayments are debited monthly from the client's bank account. This model works because banks' typical clients have a bank account, into which they are paid a monthly fixed salary, and the repayment is made soon after their salary payment so that they can be sure of having enough money to cover it.

However, microfinance clients, who are usually low- or middle-income microentrepreneurs, tend to earn varying amounts at irregular intervals, and often do not have or do not actively use bank accounts. This means that repayment cannot be a passive process but needs to be actively managed by both the client and their lender— by the client, because they need to save and move money so that they have a lump sum for the repayment on the appointed day, and by the lender, because they need to collect payments and establish behavioural norms, relationships and reminders which will help ensure that the client gathers a sufficient amount for repayment at the right time.

This more flexible and active management on the part of the lender is also key to managing the higher credit risk of the microfinance segment. Sudden shocks, such as an illness in the family, or storm damage to property, tend to set microfinance clients back further than wealthier people because they and their communities have fewer resources to fall back on in times of unexpected financial outlay or income loss. A great deal of the work done by microfinance loan officers is relationship building, to help ensure that repayment to their institution continues to be on the client's mind even when they struggle with money management.

For this reason, microfinance tends to be a labour-intensive, high-touch business with high personnel costs and high credit costs. Interest rates on microfinance loans can seem high. For example, in India, the average microfinance interest rate is around 23.5-25.5% according to Micrometer[7]. Gojo has been working to improve the affordability of our loan products (and thus their inclusiveness) over time by sourcing cheaper funds for group companies and investing in operation excellence and innovation to reduce operating costs.

The outcomes of microfinance

One of the longest-standing narratives about microfinance is that it should contribute to poverty alleviation. The narrative goes that, by using a loan to invest in an income-generating asset, a client can make enough money to sustainably increase their income, and thus improve their quality of life in the long term.

However, reality is often not so straightforward. Some, but not all, clients may be able to increase their income thanks to microfinance, but this income increase may not be sustained over the long term. Whether income increases as a result of borrowing and investing depends on (1) whether the borrowed funds are used for purchasing income-generating assets, (2) whether the client chooses to continue running their business at the same or a larger scale over time, and (3) whether any other circumstances intervene to increase a client's expenses or reduce the demand for their business.

Many farmers, for example, tend to use loans not to purchase assets that generate additional income, but rather as working capital for large purchases of seeds and fertiliser at the beginning of the season. In addition, many microentrepreneurs, particularly women, operate their businesses as a way to complement their household's other sources of income, and may scale their businesses up or down to respond to their household's needs. For instance, a woman whose child has recently had a baby may temporarily shut down her business for several months in order to help look after her new grandchild. There are many such factors in the lives of microfinance clients that can easily reduce the likelihood of seeing increased income as a result of taking a loan.

Yet microfinance continues to be extremely popular among low- and middle-income people. Since increased income cannot necessarily be an expected outcome of borrowing for all clients, we need a different framework that articulates the benefits that microfinance can and should realistically be expected to provide to the millions of clients who consider it an essential service.

In 2020, we created a financial well-being framework in a first attempt to express and list the outcomes which we hoped to help clients achieve through Gojo Group's products and services. This framework is a living document that we will continue to develop and update as our understanding of clients and outcomes evolves.

7 https://mfinindia.org/Resources/micrometer

Gojo's Client-Centric Framework

	Money-management Needs (Households)	Business Needs (MSMEs)
Earn and Access to finance (Inflow)	Earning Capacity *"I have the capacity and skills to earn a decent income"* Access to finance *"I can borrow the amount or withdraw savings I need instantly when I need it"*	Revenue growth *"I grow my revenues because I have access to customers and market, and know my customer needs"* Access to finance *"I have access to reliable financial services to borrow whenever business needs arise"*
+	+	+
Spend (Outflow)	Necessities *"I have enough to spend on life's necessities (Food, Shelter, Clothes)"* Wants fulfilled *"I have enough to spend on what I want, not only what I need"*	Daily expenses *"I have enough to run day-to-day operations (labor, inventories, utilities etc)"* Larger expenses *"I have enough to spend on expanding my business"*
+	+	+
Preserve (Save/Invest) & Protect	Convenience *"I can store money safely and conveniently"* Savings *"I can grow my savings to cover spending on life goals and times of need"* Protection *"I have enough to protect myself and my family from life's emergencies"*	Liquidity *"I have enough cash to get my business through unexpected events."* Investment *"I can invest in tangible and intangible assets for future growth"* Protection *"Key business risks are insured"*
=	=	=
Manage & Control	Know my money *"I know my financial status and can manage my money wisely"* Support dreams *"I can support my family's and my own life wishes"* Stress free *"I don't need to worry about my retirement or my family after my death"*	Know my financials *"I know my past financial statements and future projection"* Support dreams *"I can achieve my company's goals"* Stress free *"I can go to sleep peacefully without worrying about business"*

"I determine my own future"

= Gojo's mission where everyone can determine their own future

MIFIDA client in Yangon who bought a sewing machine / Taejun Shin

The primary output that we expect from Gojo's services are increases in access and utility — our services need to reach those who are in need, and also must be useful and beneficial to improve their quality of life. In other words, the expected outcome of Gojo's services is an increase in high-quality options for our clients when managing their money and achieving their present and future goals. By providing loan, saving and remittance services to underserved and unserved groups, we expect to increase clients' ability to access funds in the quantity they need and at the times when they need them, and to gather lump sums to cope with emergencies or achieve their goals. The sustained ability to do this over time should lead to clients having an increased sense of their own agency and increased confidence in their ability to manage changing circumstances and achieve their goals.

How Clients Experience Our Products and Services

Gojo Group conducts two internal surveys, one for current clients (client satisfaction survey) and another for clients who finished paying off their loans (exit survey), to understand our clients' experience of products and services. Gojo developed an exit survey template and best practice guidelines that can be implemented across the group, and the template was piloted by MAXIMA. The exit survey helps us understand the reasons behind client exits[8], positive and negative, and gather feedback from clients. Client satisfaction surveys have been implemented for a few years and were implemented by MAXIMA, Sejaya, MIFIDA, and SATYA in FY2024/03.

Learning from client exits

The majority of the MAXIMA client exits (55%) were because clients had enough money and did not need another loan, while only 4% of the exits were due to clients being dissatisfied with MAXIMA's products or services. The major requests we received from the clients were to lower interest rates and to revise write-off conditions. To address these, MAXIMA's Operations team intends to conduct a market survey to understand client preferences better.

Satisfaction scores

The average client satisfaction score across Gojo Group for FY2024/03 is 95%[9]. The ease of applying for a loan and the speed of obtaining it were appreciated by clients across the board. However, when asked for the top two things clients disliked, they mentioned that they would prefer lower interest rates and fees as well as higher loan amounts.

Resilience

The financial resilience of clients can be understood as their ability to cope with emergencies. Clients' ability to cope with emergencies and the options they have to cope with the emergencies are two impact indicators we measure through surveys. The question we ask is, *"Imagine that you have an emergency and you have to pay [1/20 GNI per capita in local currency] within the next month. How easy or difficult would it be to come up with this money?"*. 38% of MIFIDA clients, 72% of MAXIMA clients and 43% of Sejaya clients said it would be "very difficult" to come up with this amount in 30 days.

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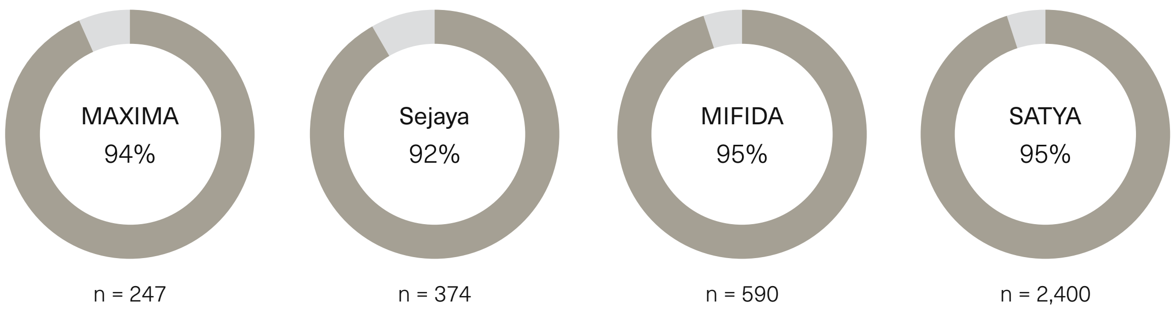
8 Gojo defines a 'exited client' as a client who has not renewed their loan within 3 months
9 Weighted average of overall satisfaction scores for participating group companies, calculated against number of clients as of March 2024

A MIFIDA client in Yangon, running a small restaurant / Taejun Shin

A reliance on informal networks continues to be a strong coping mechanism in the face of financial emergencies for our clients. Most of them said they would come up with money during an emergency by borrowing from their workplace, friends and family, or an informal money lender. In contrast, 33% of MAXIMA clients said they would use their savings to cope with the emergency.

Client satisfaction survey results (FY2024/03)



Sejaya's client in rural Sri Lanka who produces crafts for tourists / Taejun Shin

Understanding Over-Indebtedness

In this impact report, we not only showcase positive impact, but strive for a balanced assessment by studying the negative impact as well. Over-indebtedness is one of the outcomes a client can experience as a result of borrowing. This section aims to shed light on the complex causes of over-indebtedness, how debt stress affects clients' lives, and what Gojo Group is doing to prevent and respond to over-indebtedness.

Many MFIs and banks, including Gojo's group companies, have an array of routine processes and internal controls based on a solid credit policy to ensure that clients do not borrow beyond their capacity to repay, and that loan officers are not aggressively selling loans that clients do not need. Yet, despite rigorous checks, clients become unable to repay loans from time to time.

Over-indebtedness, or debt distress, is the condition where one's debt obligations exceed one's capacity to repay them. No responsible lender enters into a lending agreement where a borrower's repayment capacity is less than their combined debt obligations from the outset.

One's ability to repay debt is a function of two things: one's present and future resources, and one's total financial obligations. Neither factor is static, but as long as resources for repayment continue to exceed financial obligations for the duration of the loan, the borrower is able to manage. The trouble starts when, for whatever reason, a borrower's resources decrease or their financial obligations increase such that they no longer have enough money to cover all the payments that need to be made.

Any number of circumstances can intervene to make what seemed like a manageable debt at the time of signing a loan agreement spiral out of control. To begin with, a borrower's income is typically volatile and difficult to grasp accurately due to its informal nature. Even if there is a stringent loan assessment process, it is often challenging to predict the repayment capacity of borrowers in the long run. Lenders rely on credit bureau information when and where possible, but not all countries have a well-functioning credit bureau, and even when they do, the bureaus do not cover lending from informal lenders such as local moneylenders, relatives or neighbours, making it difficult to have a full picture of a borrower's debt situation.

On top of that, there are always risks of emergencies arising. An illness in the family, an argument with a previously generous relative, a pandemic, natural disasters, an economic crisis resulting in loss of income, or even the appearance of an attractive new lender offering quick and easy credit can place strain on a borrower's resources and lead to distress.

Moreover, even if there are no issues at the time of loan assessment, if a borrower decides to take additional loans post disbursement from irresponsible lenders, there is not much a lender can do to stop the borrowers from being over-indebted. The borrower's lack of financial literacy can further add to this situation.

Once over-indebted, both the borrower and the lender are forced to make unpleasant and difficult choices: the borrower needs to decide what *not* to spend their limited resources on, while the lender needs to judge how best to encourage borrowers to repay — so that the borrower will continue to keep repaying, while not feeling pressured to flee or make long-term or unacceptable sacrifices.

How lives are affected

Borrowers feel pressured and stressed when over-indebted. Most borrowers consider repaying their loans an important obligation, and try to make ends meet even when they are in financial distress. There are many tactics that can be considered, starting with increasing workload, tapping into other sources of funds such as relatives and savings, or selling assets such as jewellery. Then there is an effort to reduce expenses, such as cutting down on food, or delaying other important expenses. If this is not enough, borrowers consider making long-term sacrifices such as selling land or pulling children out of school.

Stories From the Field

Making tough sacrifices

A woman in Cambodia used to run a successful grocery stall and sewing business, providing a stable income for her family of four. Her husband's driving job added to their financial security. However, illness forced her to stay home, and the economic downturn left her husband jobless. Now, his fishing income barely covers their basic needs, bringing in only USD 5-10 per day.

A difficult choice had to be made. Due to mounting debt, she couldn't afford to send both children to school. Their son, the elder one, continued his education, but his younger sister had to drop out. She had initially taken a USD 3,000 loan from MAXIMA to improve their home and buy a vehicle for her husband's business. She took an additional USD 1,500 loan to further support her needs. Although she managed to repay that initial loan, the additional loan became too much to handle after her illness. She ended up taking a USD 1,500 group loan from another MFI that's currently in arrears, although she has successfully negotiated a temporary delay.

There is a glimmer of hope, though. The staff at MAXIMA has been understanding. When she requested a reschedule on her loan, they were open to working with her. While they send reminders twice a month and conduct occasional visits, they support looking for a solution, not just collecting the debt. Her situation shows us the challenges of over-indebtedness, where families have to make tough sacrifices to survive on a limited income.

Prevention of over-indebtedness

Preventing over-indebtedness is one of the priorities for most lenders and the cornerstone around which loan assessment and monitoring processes are built. MIFIDA, Gojo's group company in Myanmar, for example, follows a feasibility and capacity assessment process for every new loan application received, collects credit bureau records and a wide variety of documents from household members, and conducts in-person visits to verify home ownership, household members' income, and the existence of a genuine functioning business operated by the client. Loan decisions are made not only on the basis of guarantees or clients' past repayment behaviour, but also on the basis of a fresh repayment capacity assessment conducted at the time of the new loan application.

The eight Client Protection Standards, a framework managed by the non-profit Cerise+SPTF[10], set out a series of guidelines for the delivery of financial services to microfinance clients, who are often marginalised or vulnerable people. The second of these standards is "Prevention of over-indebtedness", and includes best practices such as conducting a thorough cash flow analysis to review the client's ability to repay the loan at the time of the loan assessment, monitoring loan officer incentives and the risk of aggressive sales, and setting PAR (Portfolio At Risk) thresholds for portfolio monitoring at a management level.

Financial service providers can conduct assessments of their client protection practices using Cerise+SPTF's SPI audit, of which the Client Protection Standards are a subset, or through the Client Protection Assessment questionnaire. By engaging an approved rating agency to conduct the Client Protection Assessment, financial service providers can seek to obtain certification of their practices, which builds their credibility and provides assurance to impact-focused investors. Gojo requires group companies to complete the commitment step of the Client Protection Pathway[11] and to obtain and maintain Client Protection Certification as soon as they are able. All consolidated group companies except for Ananya have already completed the Client Protection Pathway commitment. Even though the certification process is intensive and requires a significant time commitment, four of the group companies have obtained Client Protection Certification as of March 2024.

10 Cerise+SPTF is a joint venture of two nonprofit organisations which are global leaders of social and environmental performance management in the field of financial inclusion. https://cerise-sptf.org/aboutus/

11 A roadmap provided by Cerise+SPTF, defining steps that a financial service provider can take to implement the client protection practices necessary to avoid harming clients and communicate this progress to investors.


MFR
CLIENT PROTECTION CERTIFICATION
The MFR Certification Committee assigns to
MAXIMA Microfinance Plc., Cambodia
The SILVER level of achievement
Milan, Novembre 2023


M-CRIL
CLIENT PROTECTION CERTIFICATION
Issued to
Sejaya Micro Credit Ltd
219 Station Road, Udahamulla, Nugegoda, Sri Lanka
Sejaya Micro Credit Ltd has been awarded the Silver Level Certification according to the new Client Protection Certification Framework promoted by SPTF and CERISE.
Certified by M-CRIL Limited
Level of compliance: Silver
Issue date: 20 October 2023
Sanjay Sinha
Managing Director & Co-Founder
M-CRIL


MFR
CLIENT PROTECTION CERTIFICATION
The MFR Certification Committee assigns to
MIFIDA, Myanmar
The SILVER level of achievement
Milan, December 2022


MFR
CLIENT PROTECTION CERTIFICATION
The MFR Certification Committee assigns to
SATYA MicroCapital Limited, India
The GOLD level of achievement
Milan, October 2023

Measurement and monitoring

PAR (Portfolio at Risk) is the main indicator financial service providers look at to monitor debt stress and over-indebtedness among clients. PAR is a measure of the value and percentage of a loan portfolio that is overdue, typically divided into brackets such as PAR1 (more than one day overdue), PAR30 (more than 30 days overdue) and so on.

The problem with PAR as an indicator of over-indebtedness, however, is that clients' struggles with debt stress often start some time before they first begin to repay late. Rather than renege on their regular commitment to repay their loans, many clients will sacrifice spending on food, clothing, medicine, or sell small assets such as jewellery before they ever miss a payment. So PAR can at best be thought of as a lagging indicator of debt distress.

Some MFI clients who are repaying their loans on time month after month do in fact find loan payments difficult to manage and have to make small sacrifices to meet their monthly obligations. For instance, respondents from our Sri Lanka financial diaries project tell us that *"Our quality of life is depressing since there won't be any drastic changes until we settle our loans", and "It is challenging to settle loans with the uncertainty of life and business. Although it is doable with time, having loans is a constant mental burden for us."*

Given that loan payments can feel stressful and burdensome even to clients who repay on time, it is important for lenders to identify clients who are seriously struggling and to respond appropriately before clients slip into PAR. Tomohiro Isozaki, CEO of MAXIMA, says, *"Early identification of potential problems is always very important. If detection is delayed, clients may face severe difficulties, such* *as borrowing from illegal lenders to repay debts or sacrificing their own living standards to make ends meet. When clients are already in a challenging situation, we handle it on a case-by-case basis. For example, if the difficulties are temporary, we might consider restructuring the loan to reduce repayments for a period, before returning to the normal payment schedule. In cases like a divorce, where the original loan was taken by both husband and wife, we might split the loan into separate obligations for each individual."*

Collection practices

Over-indebtedness is also undesirable and uncomfortable for lenders. Once clients' repayment difficulties have been identified, lenders must exercise judgement as to the root causes of the clients' situation, the extent to which these drivers of over-indebtedness are likely to affect the rest of the portfolio, whether they need to take action to prevent similar cases in future, and most immediately, how they will respond to the over-indebted clients.

Gojo's SPM team has worked to increase our visibility into debt recovery practices at group companies to better assess and address client protection risks. In collaboration with Gojo's Internal Audit team, they have visited and collected observations from almost all majority-owned companies about how they manage the collections process.

We found that loan officers responsible for collections spend a great deal of time visiting and consistently following up with over-indebted clients. They tend to understand clients' situations well and display a good understanding of collections practices. One loan officer from MIFIDA said, *"Some clients are in dreadful situations and don't have any money. Threatening words are not okay, we can only speak politely and negotiate with the client. If you cannot convince them by speaking politely, there's no way they will give you money when you threaten."*

Collection strategies employed vary depending on how late the payment is and on the client's ability and willingness to repay. In the early days of a missed payment, companies' call centres contact clients to remind them of the due date and loan officers visit clients to check on them. When payment continues to be late, higher-ranking employees such as the branch manager and the regional manager start visiting the clients. These visits also serve the purpose of enabling the company to thoroughly assess the clients' difficulties as well as their ability and willingness to repay.

When payment is more than a month late and it starts to become clear that the process of recovery is not going to be straightforward, the key strategy employed by group companies is to maintain consistent contact and a good relationship with the client by visiting regularly and politely reminding clients of the overdue balance. One common tactic that helps loan officers strike a balance between holding clients accountable for payment and accommodating their financial struggles is to ask for a promise of when they might be able to repay and to visit the client again on the agreed date. For clients facing genuine medium-to-long-term difficulties such as serious health issues or major crop failure, companies offer solutions such as restructuring or rescheduling loans on a case-by-case basis following internal policies and regulatory guidelines. Where clients are able and unwilling to repay, group companies apply firmer pressure by warning of and initiating legal proceedings past a certain number of days overdue. However, the process of settling a legal claim in court could be long and expensive compared to the actual amount due, so it is quite rare for lenders to enter into litigation with their clients.

Although loan officers tended to have a good general understanding of appropriate and inappropriate collections practices, not all companies had written policies or specific training about collections practices yet, and loan officers in some companies did not fully understand what the Client Protection Standards were. Gojo's SPM team is now working with the Operations team to develop and disseminate more specific collections guidelines which can be helpful for clarifying practices that may fall into grey areas. The collections guidelines will address questions such as: What is the maximum number of loan officers who should visit the client at any one time? What is the maximum amount of time loan officers should wait outside a client's house, if the client is not at home?

Market-level risk management

The causes of over-indebtedness are complex. Regulatory and market-level factors such as the existence of a well-functioning credit bureau, the proliferation of unregulated or informal lenders which are not registered, and the overall performance of the country's macroeconomy can seriously impact client credit quality and the environment in which lenders operate.

In such an environment, small MFIs which are serious about responsible lending face challenges in finding relatively unsaturated client segments with a genuine need for microfinance and good repayment capacity. According to Gojo's COO Gürol Michael Sari, "*The way to go in overheated markets is to come closer to the client*." We believe it is important to engage with the local communities to gather high-quality client data on the micro level. On the macro level, we will continue the dialogue with industry associations and regulatory authorities while closely monitoring the trend of the market and other microfinance institutions. As a responsible financial service provider, we recognise that it is our responsibility to continue updating our client protection and risk management frameworks, and to ensure their effective implementation in the field.

Boat driver in Ayeyarwady Region. The region is full of rivers so people use boats like buses. / Taejun Shin

Social Performance Management

The role of SPM is even more important in the face of over-indebtedness. Prevention of over-indebtedness is one of the key components of Client Protection Standards, which is an integral part of SPM. Gojo promotes SPM across group companies following industry frameworks. The USSEPM (Universal Standards for Social and Environmental Performance Management)[12] are a set of best practices developed by Cerise+SPTF to establish a common definition of responsible financial services across geographies. They are a key industry framework used by regulators, impact investors and financial service providers.

The USSEPM encompass seven dimensions of a financial service provider's operations, ranging from Dimension 1: Social Strategy to Dimension 7: Environmental Performance Management. (Dimension 7 was newly added in 2022 due to the increasing interest in climate change and how it can affect clients who are typically vulnerable.) Financial service providers, investors and rating agencies can use a range of freely available tools to assess an organisation's practices for the purposes of due diligence and improving practice.

12 https://cerise-sptf.org/universal-standards/

Gojo applies the USSEPM framework in every phase of our operations. In the pre-investment phase, Gojo's SPM team conducts social due diligence using Cerise+SPTF's ALINUS tool[13] to assess client protection and SPM practices in potential investees, alongside standard business, financial and legal due diligence processes. Post investment, Gojo requests the new group company to appoint a designated SPM Lead, if not yet done already. Gojo SPM team works closely with the SPM Lead of the new group company to (1) complete the commitment step of the Client Protection Pathway and obtain Client Protection Certification, and (2) conduct SPI audits accompanied by a qualified auditor at least once every three years. Once the gaps are identified through these initiatives, SPM action plans are defined and implemented. Typically actions include setting up an SPM Committee at the board level, setting social goals and targets annually, introducing or improving data collection through surveys, and conducting SPM trainings for the board, management and other employees. Gojo SPM team supports these initiatives through standardisation of survey manuals, policies and procedures across the group together with the group company SPM Leads, usually meeting weekly or bi-weekly.

SPI audits conducted in FY2024/03

SPI audit, which measures the progress of SPM practices at financial services providers, was conducted by MIFIDA in Myanmar and Humo in Tajikistan, accompanied by qualified SPI auditors[14] from Gojo. This was the first time either organisation had undertaken an SPI audit.

Source: Cerise+SPTF website

MIFIDA

MIFIDA's overall score in the audit was 60%, which is below the global benchmark of 64% and the South and South-East Asia benchmark of 76%.

MIFIDA as a business and its clients have faced many difficulties in the aftermath of Covid-19 and the coup in Myanmar. Many long-standing clients' businesses have been severely impacted, with clients becoming much poorer than before and unable to repay their loans. Despite the challenges which loan officers and clients have grappled with in the past few years, the audit found that there is a strong ethical culture and adherence to Client Protection Standards among MIFIDA loan officers, and that loan officers display deep sympathy and respect for struggling clients. The repayment capacity assessment process is well-documented and followed, and the implementation of a new call centre and complaints mechanism with the support of Gojo Operations team has provided

13 ALINUS is a tool developed by Cerise+SPTF supporting robust social and environmental investor due diligence.
14 SPI auditors are qualified by Cerise+SPTF upon a series of training and SPI audit experience in the field.

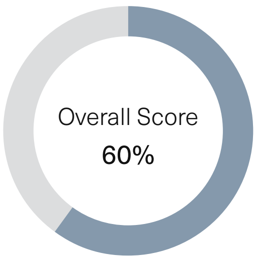
easier access to complaints channels and more efficient complaints handling for clients.

Human Resources policies were comprehensive and well-documented, with regular on-the-job training for employees, leading to a high score in Dimension 5 of the audit. However, the audit also found that many employees were feeling demoralised and isolated due to the political and economic challenges of recent years, and that more could be done to provide opportunities for employees to share feedback, exchange knowledge and have fun as a team.

The gaps in Dimension 1 (Social Strategy) and Dimension 2 (Committed Leadership) can largely be attributed to the findings that MIFIDA has not had the capacity to collect or analyse data on outcomes and that, at discussions in board meetings, financial issues have tended to overshadow discussions of social performance in the past few years. To address these issues, MIFIDA has implemented regular client satisfaction and exit surveys, as well as an employee satisfaction survey, and has set up a board-level Social Performance Committee, which meets quarterly to discuss key social performance information such as employee turnover data, survey results and complaints reports.

MIFIDA implemented an E&S (Environmental and Social) policy and an environmental risk assessment process for large loans in 2022, but is still at the beginning of its environmental strategy. Gojo is now supporting MIFIDA to calculate the GHG (greenhouse gas) emissions of its operations and to explore possible green finance products for climate adaptation.

MIFIDA



Global Benchmark: **64%**
South and South-East Asia Benchmark: **76%**

Qualified Auditor	Cheriel Neo
Period	May - October 2023
Field Visit	June 2023

Universal Standards Scores by Dimensions


Women in a market of Yangon, selling incense trees, which smell good when you burn them / Taejun Shin

Humo

Humo received an overall score of 67%, which is higher than the global benchmark of 64%, but lower than the Europe and Central Asia benchmark of 80%.

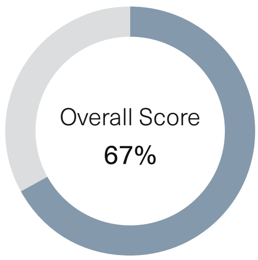
Humo displays excellent performance in Dimension 6 (Responsible Growth and Returns), which can be attributed to their responsible pricing of products. For instance, Humo does not charge any fee for the use of deposit accounts which makes it an affordable choice for low-income clients.

Humo has also been making considerable progress towards ensuring good environmental performance covered under Dimension 7, by adopting an E&S policy, conducting E&S risk assessment for loans, and partnering with international organisations such as the World Bank, International Finance Corporation, Asian Development Bank, KfW Bankengruppe, and European Bank for Reconstruction and Development (ClimAdapt, Green Economy Financing Facility, etc) to issue green loans and conducting relevant client training. In FY2025/03, Humo aims to further enhance their efforts by conducting a GHG emissions calculation with support from Gojo.

Other notable areas of performance are in Dimension 4 (Client Protection) and Dimension 5 (Responsible Human Resource Development). To prevent over-indebtedness, Humo deploys a thorough repayment capacity assessment process and includes PAR in the performance evaluation criteria for loan officers to mitigate the risk of aggressive sales. Humo has a well-detailed collections policy that places particular emphasis on respectful treatment of clients and Humo's complaints management system works well to address client concerns. Although a risk of aggressive sales was not found, Humo can strengthen its mechanisms to prevent aggressive sales by setting a threshold for the number of loan disbursements per branch, the number of loans disbursed per loan officer, and the number of clients per loan officer.

Employees received sufficient training to perform their duties well and were found to be committed to Humo's social mission. Although employees were found to be satisfied at work, a specific area of inquiry is the extent to which employees are satisfied with their salaries. As a first step, Humo aims to understand the level of salary satisfaction amongst employees through the employee satisfaction survey in FY2025/03 and take additional steps as needed.

Similar to MIFIDA, while the Humo management and board were found to be socially-minded and committed to the social mission, the relatively low scores in Dimensions 1, 2 and 3 (Social Strategy, Committed Leadership and Client-centred Products and Services) may be attributed to the lack of systematic collection and analysis of social performance data and the absence of a board-level SPM Committee to take prompt actions on SPM matters. To address these points, Gojo is actively working with Humo to implement a client satisfaction survey and client exit survey in FY2025/03 as well as ensuring a regular board committee discusses SPM matters.



Global Benchmark: **64%**
Europe and Central Asia Benchmark: **80%**

Qualified Auditor	Arya Murali
Period	May 2023-March 2024
Field Visit	August 2023

Universal Standards Scores by Dimensions

Stories From the Field

A business-minded first-time borrower

During our field visit for MIFIDA's SPI audit in Myanmar, we met a very business-minded and entrepreneurial farmer in Shan State. He had recently taken his first loan of MMK 300,000 from MIFIDA to buy fertiliser for his crops. He explained that he had not previously needed to take any loans for his business, but recently, due to the rising prices of inputs such as seeds and fertiliser, he decided to take a loan from MIFIDA for working capital.

To ensure a profit in spite of the increased costs, he is now focusing on managing the quality of his tomatoes, chillies and cabbages so that he can eventually sell as many crops as possible for the highest prices possible. He works with an agent who buys all his crops from him and sells them in a market further away. In order to get the largest possible profit from his land, he plants fast-growing crops such as tomatoes in an agile manner — before deciding which vegetables to grow, he regularly calls his agent and researches market prices of various crops on the internet to ensure that he chooses vegetables which fetch the highest prices.

He told us that he started farming in 1997 with just one acre of his own land, and gradually bought surrounding plots of land with the proceeds from his sales. He now owns and farms eight acres of land. Not content with just one income source, however, he also has a job as an employee of a nearby mining company and manages a further 15 acres of land locally for a wealthy landowner who lives far away in the capital.

Family in a village in Ayeyarwady, attending an event held by a Buddhism temple / Taejun Shin

Innovation

pasio

A digital finance innovation program to reach young entrepreneurs

In FY2024/03, Gojo launched a new initiative in digital financial inclusion called the “Pasio program” in partnership with Silatech. Based in Doha, Qatar, Silatech is an international social development non-profit that promotes large-scale job creation and entrepreneurship for youth worldwide. Based on our shared goals, the program targets young entrepreneurs aged between 18 and 35 years old by providing income-generating loans and easy loan management functionality at their fingertips, combined with education on business skills and digital tools including a community platform.

We are providing these young entrepreneurs the opportunity to boost their financial and digital literacy to contribute to their economic growth. Our digital tools also assist clients in creating their digital storefronts to sell their products in the online markets. Ninety percent of the clients are women, and all female clients have reported Pasio being the first digital solution they try.

The program is implemented with Gojo’s group companies in Cambodia, India, and Sri Lanka to service the local communities’ needs. In August 2024, the Pasio program managed to reach 63 thousand clients.

Client Stories

Saving for a dream

A 28-year-old woman in Sri Lanka was unemployed and distant from realising her dream of studying pharmacy. She was inspired by her cousin's success and secured a loan through Sejaya, Gojo's group company in Sri Lanka, and started a mushroom business from home. In four months, she managed to grow her business and produce ten packets daily, and significantly increased her monthly income. With business insights from the Pasio community, she is now expanding her venture and saving for her pharmacy degree. She uses the Pasio app to connect with the community and view her financial transactions with efficiency and transparency.

Career shift to an independent entrepreneur

A 31-year-old woman in Sri Lanka decided to make a significant career shift from working in a factory to starting her own textile shop. Driven by a desire for financial independence, she began her entrepreneurial journey with a loan from Sejaya. Her initial success in textiles led her to explore further opportunities within the Pasio community, where she discovered the potential of additionally selling handcrafted wooden culinary items. Today, she is thriving with her businesses, thanks in part to her decision to embrace new opportunities and to use community-driven insights for entrepreneurial growth.

Top/bottom: Pasio clients demonstrating their products during a field visit

Impact and challenges

In April 2024, Gojo and Silatech conducted a field visit to evaluate the program in Sri Lanka. The team concluded that the Pasio program is the first of its kind in the country, with the following benefits to the clients:

- Affordable pricing
- Transparency, no hidden or additional fees
- User-friendly app, client business website and community

We also identified some challenges: the hardship of accessing clients in extremely rural areas and the low ownership of mobile phones in the community. Mr. Ernest Dube, Monitoring and Evaluation Senior Specialist of Silatech, commented, *"Silatech is implementing over 100 projects globally but through this field visit I was able to assess and recognize that the Pasio program is one of the most successful projects that we are currently funding."*

Gürol Michael Sari, COO of Gojo and supervisor of the program, commented: *"The rapid growth of the Pasio program and its unique proposition to distinguish Gojo's mission in the microfinance industry through this digital program is a game changer. Not only were we able to launch digital loans in Sri Lanka itself, but to pair microfinance with educational training for our clients is a unique impact we are creating.*

Our clients are mostly located in rural areas and lack access to digitised markets. By creating access to these markets with our Pasio program, we are boosting their livelihood and economic growth. They are acquiring the capacity to upload their products and services online by elevating their knowledge and skills in digital literacy, and are able to reach a wider market with ease of access to the Pasio communities. We are also proud to announce that the majority of our clients are young women between the ages of 18 and 35; through the Pasio loans they are supporting their households and are empowered to promote further gender balance in their community. We will continue to sustain our efforts in the near future to increase the exposure of the Pasio program and to be able to assist a higher number of clients."

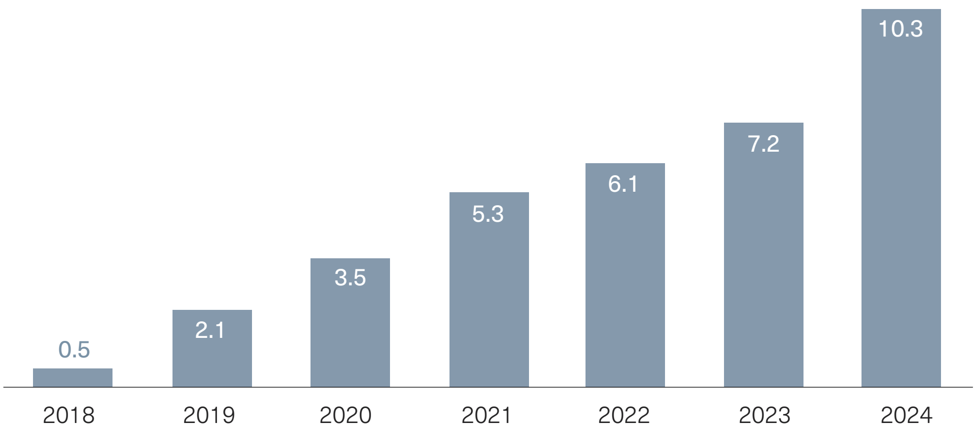
The Pasio program will continue to evolve through the continuous improvement of its services, expanding into new regions and addressing rising challenges. To learn more about this initiative, please visit our website at: Pasio.io.

Calligraphy workshop during a Group offsite in Tokyo / Charm Cai

People

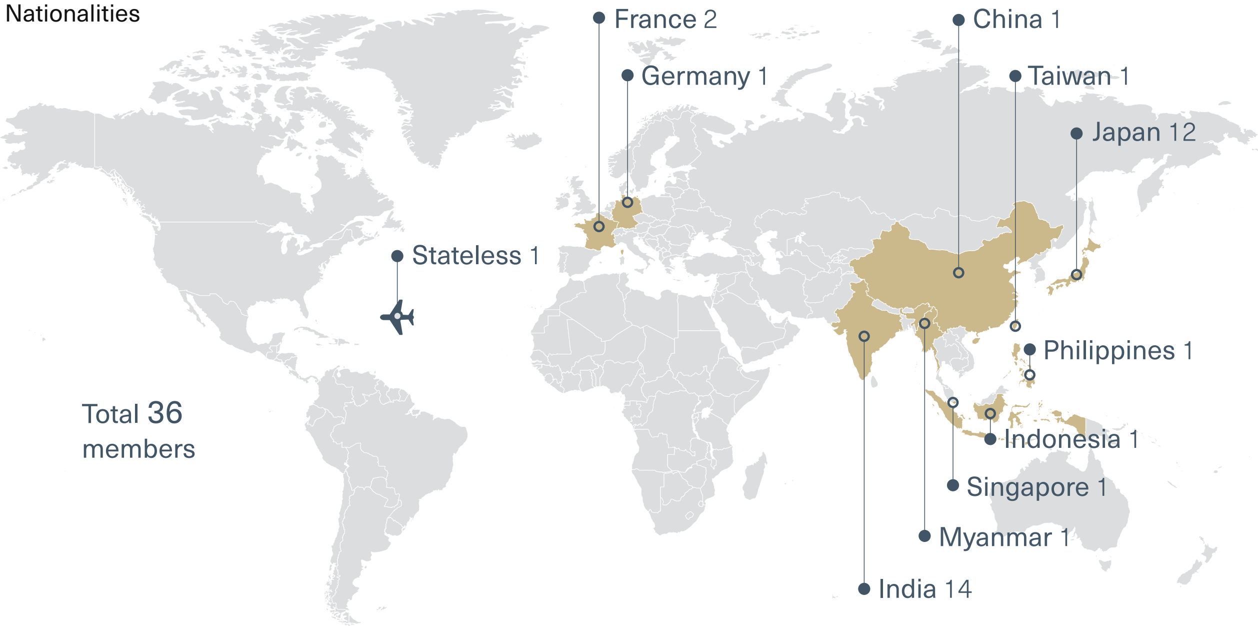
As Gojo has grown, the number of employees across the group has also significantly increased in the past few years, with ten thousand employees in Gojo's consolidated group companies as of March 2024. In the business of financial inclusion, which is built on frequent face-to-face interactions with clients, the well-being of employees affects the quality of service provided to clients. We aim to improve employee well-being by valuing diversity and creating an enjoyable work environment where everyone can feel motivated to achieve Gojo's mission. In order to understand and improve our impact on employees, we have collected data on various indicators which help us to measure diversity and satisfaction across the group.

Number of employees in Gojo's consolidated group companies (k)

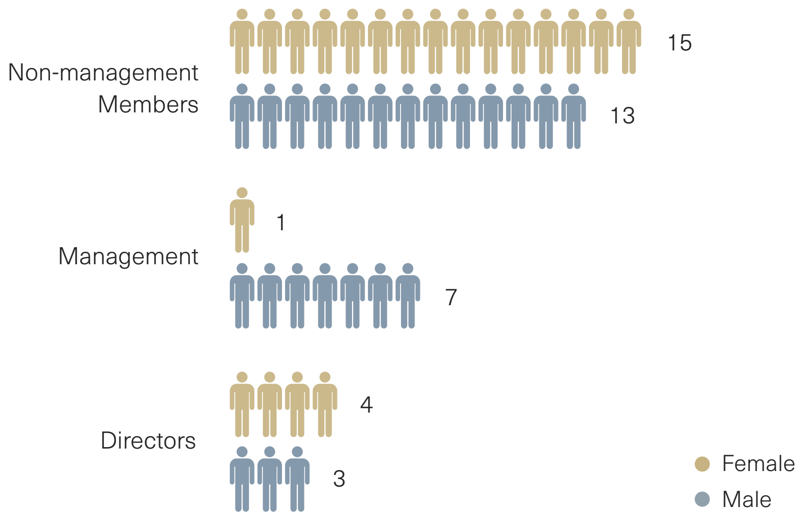


Diversity of Gojo holdco members

Nationalities



Gender



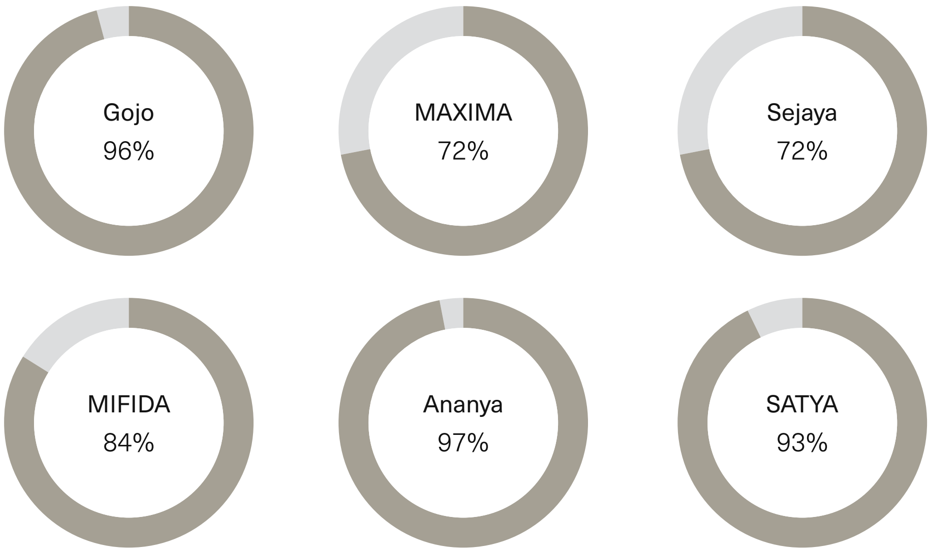
Building a diverse team

Diversity has been a key value for Gojo from the beginning. At the holding company level, 11 nationalities are represented among our 36 members, with Indian members making up the single largest group. While Gojo originally started with a majority of Japanese members, we have undergone a natural shift toward increasing hiring from India as the majority of our clients are also based there.

In terms of gender as of March 2024, four out of seven of Gojo's outside directors are women. The percentage of women members in Gojo has increased significantly to 44% from 31% in FY2023/03. Gojo has made significant efforts in diversity-oriented hiring, resulting in a more balanced gender ratio among its members. However, the company's eight-member Executive Committee remains predominantly male, with only one woman serving in the group. This has resulted in a concerning gender imbalance in Gojo's senior management, which we are working to remedy.

Across Gojo Group, women make up only 13%[15] of employees. The primary reason for this is that in some countries such as India and Sri Lanka, loan officers, who make up the majority of our employees, tend to be men. This is typically because the job of a loan officer requires a lot of travelling on motorbikes carrying cash, which is considered to be dangerous for women. However, some group companies started to hire female loan officers, taking safety measures. This makes sense not only from a gender equality perspective but also because many of our clients are women and it will be easier for them to familiarise themselves with female loan officers. Furthermore, 29%[15] of senior managers in group companies are women, and in each company there are women in influential management positions.

Employee satisfaction survey results (FY2024/03)



Providing an enjoyable workplace

In Gojo's employee satisfaction survey, conducted in FY2023/03, respondents showed strong positive feedback on statements such as "I enjoy working with Gojo members," "Gojo is maintaining focus on its vision," "I'm proud to work at Gojo," and "I am given enough autonomy to decide how to do my work." Additionally, the survey conducted in FY2024/03 revealed significant improvements in areas like "I feel there is sufficient collaboration across departments," "Executive Committee members are well aligned on strategy and priorities," and "Sufficient opportunities to attend training" compared to last year. The overall happiness rate at Gojo increased dramatically to 96%, up from 71% in the last year, reflecting the company's focused efforts on previously low-scoring areas. However, satisfaction with "work-life balance" has declined since the last survey.

15 Employees of consolidated group companies (excluding SATYA Micro Housing and Prayas Financial Services).

In FY2024/03, we prioritised fostering collaboration among Gojo members by creating more opportunities for interaction. Alongside initiatives like Fun@Work, where members gather to play games, and Power of One, which highlights members' life-changing experiences, we also placed a strong emphasis on training and upskilling. Members were encouraged to create their individual development plans and select external training programs that they wanted to pursue, funded by Gojo. Additionally, numerous corporate training sessions were conducted on topics such as workplace safety, the use of artificial intelligence, diversity and inclusion, prevention of sexual harassment, anti-money laundering, and managerial skills.

Sharing best practices across the group

We have been focusing on increasing opportunities to connect with our group companies and create knowledge-sharing platforms. With this in mind, we initiated bi-monthly HR calls where HR representatives from all group companies are invited to discuss various topics and share best practices. We have focused on topics which will improve overall employee well-being, such as training, employee motivation strategies, worker safety measures, and promoting physical and mental health.

In June 2023, we organised a group offsite in Tokyo for all Gojo members, directors and CEOs of our group companies. This event, including the shareholders' party, provided an excellent opportunity for members and other stakeholders of Gojo to connect with the CEOs. As part of the event, we conducted a calligraphy exercise focused on the five values of Gojo, reinforcing our group culture. The offsite helped us develop alignment on our Guiding Principles.

Stories From the Field

A helping hand for an elderly businesswoman

We met a 70-year-old woman who sells textile cloth materials to make furniture, cushion covers and kurpacha (traditional thick cotton/wool mattress used for seating) in the Korvon market in Dushanbe, Tajikistan. When she decided to start this business ten years ago, she tried approaching several banks, but was turned away by them because of her old age. She finally found respite in Humo, the only company willing to lend to her. She has been a Humo client for the past ten years.

She has both credit and deposit accounts with Humo. Although she is aware of Humo's mobile app and digital loan product, she says her eyes are too weak to use her mobile phone and enjoy these offerings. Every year she takes a loan of TJS 250,000 for a period of one year to purchase raw materials from Uzbekistan, which she then stitches and sells in the market. With the profits from her business, she opened five other sales points, two of which she eventually sold to buy two houses for her family.

While she is not able to recall how much she earns or spends because she does not maintain a book, she says she tries to save every week. She visits the nearest Humo branch almost every other day and deposits at least TJS 60,000 on each visit. Now she is able to use her savings to further expand her business. She has two sons, one daughter, and her husband at home. Her children are all educated and she has opened a savings account for them as well.

Main road reaching to Ayeyarwady /
Taejun Shin

Environment

Mapping the road towards environmental sustainability

The climate is changing at an unprecedented pace. All around the world we see news headlines about how summers are getting hotter, weather conditions are changing, and natural disasters are increasing in frequency. Unfortunately, the climate crisis is an unfair one — in the next five to ten years, those who will suffer the most from it are rural people in developing countries, which describes approximately 80% of our client base. Climate change affects our clients in various ways. For example, the increased variability in rainfall patterns and temperatures impacts crop yields for the majority of our clients who are working in agriculture. Extreme weather events such as droughts and floods can result in reduced agricultural productivity leading to food insecurity and income loss. Landslides, flooding, and extreme storms can also lead to the collapse of houses and the displacement of our clients.

We try our best to be environmentally responsible. In March 2023, Gojo adopted the Environmental Policy and Roadmap. They consist of three focus areas: (1) controlling our GHG emissions and reducing them to a minimal amount, (2) including environmental considerations pre- and post-investment, and (3) offering green products and services to help reduce negative impact on the environment, as well as help our clients adapt to the climate crisis. In FY2024/03, we have continued progressing in these focus areas, moving towards an environmentally responsible Gojo Group.

Quantifying our environmental impact

In FY2024/03, we continued to monitor our GHG emissions, collecting both Gojo and group company data. In August 2023, we conducted an online Gojo Group SPM Conference where we covered various topics, including how to use the Gojo GHG calculation tool. Following this training, MAXIMA and Humo have started implementing this tool. For FY2024/03's calculation, we have included emissions from MAXIMA and Humo's head offices. Additionally, Ananya has expanded their scope of calculation from head office emissions to also account for branch-level business travel. This expanded scope provides us with better visibility into our environmental impact throughout the operation. We will continue collecting emissions data from group companies and cover major areas of operations to improve visibility and establish our emissions targets.

FY2024/03 GHG emissions (kg CO2eq)

	Scope 1	Scope 2	Scope 3
Gojo	0	4,821	84,808
MAXIMA (head office)	961	5,346	37
Ananya (head office and branches)	209	4,200	43,641
Humo (head office)	675	778	127

The GHG Protocol[16] defines Scope 1 emissions as direct emissions from owned sources. As such, we include emissions from travel by company-owned vehicles in our calculation. Scope 2 emissions are indirect emissions from the consumption of purchased energy, so emissions from electricity usage are accounted for. Scope 3 emissions encompass business travel using non-company vehicles, employee commuting, and office consumables like paper. We do not include emissions from client activities in our calculation at this point, as the sheer number and variety of client activities make it difficult to standardise and measure emissions accurately. Instead, we encourage our group companies to assess and monitor environmental risks by incorporating environmental and social screenings in the loan assessment process.

16 Greenhouse Gas Protocol (GHG Protocol) was jointly convened in 1998 by World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI). It was created as an international standard for corporate accounting and reporting emissions.

Farmers in rural Uttar Pradesh in harvest season / Taejun Shin

In November 2023, we provided training to Gojo members on the Environmental Policy and Roadmap. We encouraged company-wide collaboration in tracking our GHG emissions via our expense reimbursement system. We also discussed green work practices for both office and remote work, such as turning off electronic equipment and energy sources when not being used and changing light bulbs to LEDs to reduce energy consumption. Our members also inspired each other by introducing non-work-related green actions that they've taken, such as eating less meat and mending damaged clothes.

Environmental initiatives at Gojo Group

In FY2024/03, Gojo Group continued to make strides in protecting the environment by engaging with different stakeholders in the value chain.

In September 2023, SATYA received an A rating from Agents for Impact using their AFISAR (Agents for Impact Sustainability Rating) tool. This tool evaluates how well a company's sustainability performance, both at the institutional and portfolio level, aligns with the SDGs. The AFISAR rating committee highly evaluated SATYA's Social and Environmental Policy for being comprehensive. It effectively engages all stakeholders in achieving environmental sustainability through measures like including risk assessments in the loan assessment process and providing environmental awareness training for all employees. SATYA also extends climate risk mitigation by adopting business continuity and disaster preparedness plans in the event of extreme weather events. The committee recommended that SATYA set specific targets for reducing the impact of SATYA's operations on the environment. In response, Gojo plans to collaborate with SATYA to establish these targets.

Our group companies also offer products with environmental objectives in their portfolio. MAXIMA collaborates with Water.org, a global non-profit aiming to empower people with access to safe water and sanitation through affordable financing, to provide WASH loans to their clients.

These loans help clients build latrines, pumping wells, water storages, and other water or sanitation materials to improve their living conditions and provide access to efficient water usage, which reduces water wastage. These facilities can also help manage waste better, reducing environmental pollution. As of December 2023, MAXIMA has disbursed over 400 WASH loans. SATYA also offers a wide range of environmental products, including loans for e-rickshaws that enable access to clean energy, loans for clients to purchase energy-efficient home appliances such as LED bulbs and induction cooktops, as well as WASH loans. In Tajikistan, Humo partnered with GEFF (Green Economy Financing Facility) to further expand Humo's product offerings with green finance products, and to support their efforts in developing climate change mitigation and adaptation technologies. GEFF provided a USD 3 million loan, the third loan following the pilot loan signed in 2019 and the second facility in 2022.

From mitigation to adaptation

Climate hazards pose a threat to our clients and, by extension, to Gojo's vision in the mid-to-long term. These environmental challenges can disrupt livelihoods, increase financial risks, and undermine economic stability for both our clients and Gojo Group. Recognizing the gravity of this issue, Gojo aims to address this issue by supporting our clients to build financial resilience.

In collaboration with an independent consultant, we initiated a project to explore effective interventions for helping our clients with climate adaptation. Currently, we are in the first phase of the project, where we are analysing Gojo Group's portfolio characteristics, client needs, and organisational strengths to pinpoint a critical focus area. Given that our clients live in various regions with diverse environmental issues, we have conducted climate risk assessments at both the country and company levels with Sejaya, SATYA and Humo. These assessments involve examining past climate events and trends in each country, ranking the top climate risks for each company, and identifying the vulnerabilities of each company branch to these identified risks. Moving forward, we will enter the second phase of the project, where we aim to determine the specific interventions that can help our clients adapt to upcoming climate hazards based on our findings from the first phase.

Shareholders' event in June 2023

Closing Remarks From the Chair of the Impact Committee

Ignacio Mas-Ribo, Gojo's outside director, succeeded Impact Committee chair Stuart Rutherford who retired in June 2023. Ignacio is an expert in financial inclusion and digital finance, having co-founded the Digital Frontiers Institute, a not-for-profit that develops professional development training courses around digital money and payments, and served as its executive director from 2015 to 2020. Previously, Ignacio held positions in the Bill and Melinda Gates Foundation and CGAP.

Gojo strives to create social impact through financial inclusion, reaching 2.4 million clients as of March 2024. What is special about Gojo is that the quest for social impact is a daily task. There is the doing part: coordinating across our group companies to implement common policies to offer our clients expanded choices, more opportunities for expressing their voices, and a greater sense of protection. There is the measurement part: assessing realities on the ground, conducting surveys and establishing benchmarks. And then there is the thinking part: connecting all this back to our clients' sense of empowerment and the sustainability of the communities they live in. These three levers — good governance practices, proper analytics, and thought leadership — are well demonstrated in this Impact Report.

The quest for social impact is a long journey, and I would place empathy as the key fuel. Impact is unlikely to be achieved, much less sustained, if we see it as a set of numerical dials that can be expertly turned. We must retain the humility to challenge our assumptions and routinely go back to check how clients view things and what inspires and concerns them. We are on the path to impact when we begin to understand, without judgement, how people who live in very different circumstances to ours make their decisions and cope. If we judge the choices people make, we probably haven't fully understood the reasons for their decisions, and that will take us down the path of paternalistic interventions. To me, this impact report is first and foremost a good demonstration of the pursuit of a truly empathetic understanding of our clients.

I get to write these closing remarks as chairperson of the Impact Committee of the Gojo board of directors, which I had the honour of taking over from Stuart Rutherford upon his retirement. As such, I wish to express my appreciation first of all to the Gojo SPM / Impact team, led ably and inspiringly by Cheriel Neo, for condensing Gojo's activities and learnings so lucidly in this information-packed report. I wish to thank our group companies for engaging with the Gojo team and with each other in their persistent pursuit to improve their social impact practices, for they are the behind-the-scenes heroes of this report. And lastly I wish to acknowledge Stuart's quiet but immense contribution in keeping everyone in the Gojo family not only committed to but also focused on issues of social impact.

Ultimately, social impact is achieved by balancing multiple corporate objectives and decision time horizons. As an investor in MFIs, Gojo can only achieve impact indirectly, through our group companies. Indirect impact is frustratingly fraught with problems of agency, measurement and attribution: what really is our unique contribution? But it has the advantage of leverage: being able to stretch over more people in more countries. Gojo believes that the best way to manage this dynamic is to establish close, long-term relationships with the group companies. On the investment side, this means taking majority positions and not turning around the portfolio even when there are lucrative exit opportunities. On the governance side, our aspiration is to put our social impact goals at the heart of the budgeting and financial control process. The budgeting process is what gives plausibility and coherence to the planned actions of our group companies, so the budgets we agree with our group companies need to be designed to achieve specific financial and non-financial outcomes. On the research side, we need to continue to find ways to assess realities on the ground, through both quantitative methods that create comparable data and qualitative methods that create the stories that make us understand and connect empathically.

I hope this report inspires you in some personal way. It can serve as a reminder of why we do what we do at Gojo and at so many other mission-driven microfinance organisations around the world. It reinforces the idea that financial and non-financial goals are eminently reconcilable, for they both involve engaging clients, meeting their pressing needs, and looking after their longer-term interests. And it ought to make us want to work better together for a better and more just future.

Abbreviations

AFISAR = Agents for Impact Sustainability Rating
E&S = Environmental and Social
GEFF = Green Economy Financing Facility
GHG = greenhouse gas
GLP = Gross Loan Portfolio
GNI = Gross National Income
GRI = Global Reporting Initiative
IPO = initial public offering
MFIs = microfinance institutions
SMEs = Small and Medium Enterprises
SPI = social performance indicator
SPM = social performance management
TJS = Tajikistani Somoni
M&A = Merger & Acquisition
MMK = Myanmar Kyat
MSMEs = Micro Small & Medium Enterprises
PAR = Portfolio At Risk
USSEPM = Universal Standards for Social and Environmental Performance Management
WASH = water, sanitation and hygiene

Data points presented in this report

The data mapping process for this Impact Report involved creating a list of all impact indicators for each stakeholder and their corresponding location in the report. We then mapped the indicators to their relevant SDGs goals and GRI (Global Reporting Initiative) disclosure numbers, following the microfinance industry standard by researching how other MFIs conducted their own data mapping. A few of the indicators Gojo uses could not be matched to any GRI disclosure numbers.

Stakeholder	Indicators	Page	SDGs Target	GRI Standard
Clients	Number of lending clients	8	1 / 8 / 10	203-2
Clients	Female clients as percentage of total lending clients	8	1 / 5 / 10	203-2
Clients	Rural clients as percentage of total lending clients	8	1 / 10	203-2
Clients	Number of savings clients	8	1 / 8 / 10	203-2
Clients	Voluntary savings clients as percentage of total savings clients	8	1 / 8 / 10	203-2
Clients	Clients accessing finance for the first time	8	1	203-2
Clients	Gross loan portfolio	9	1 / 8 / 10	201-1
Clients	Exit survey results	24	1 / 10	
Clients	Client satisfaction survey results	25	1 / 10	
Clients	SPI audit results	34	1 / 10	
People (Employees)	Number of Gojo Group employees	43	16	401-1

Stakeholder	Indicators	Page	SDGs Target	GRI Standard
People (Employees)	Number of female and male members at Gojo	43	5	405-1
People (Employees)	Nationalities of Gojo members	43	16	405-1
People (Employees)	Female employees as percentage of total Gojo Group employees	44	5	405-1
People (Employees)	Employee satisfaction survey results	44	16	
People (Employees)	Programs for employee upskilling	45	16	404-2
Environment	Direct (Scope 1) GHG emissions	48	13	305-1
Environment	Energy indirect (Scope 2) GHG emissions	48	13	305-2
Environment	Other indirect (Scope 3) GHG emissions	48	13	305-3

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