


Newsletter

January 2012

GIIRS is a ratings agency that provides comparable and transparent social and environmental performance data on enterprises seeking investment capital.

Dear Members of the GIIRS Community,

Happy 2012! The GIIRS team is diving into the New Year with a long list of goals. GIIRS is launching the GIIRS Directory (read more below) and in a few weeks, the GIIRS Analytics platform. Stay tuned for more information as we send out a launch announcement in early February. Later in the year, we will be announcing the first GIIRS Indices.

We also want to reflect on 2011 and some key milestones that GIIRS Ratings and Analytics met during the year. Our team spent the first few months of the year criss-crossing the globe, meeting with our GIIRS Pioneer Fund managers and their portfolio companies during the GIIRS Beta World Tour. In July, we pushed the GIIRS assessment live and continued the rating process with our original 25 GIIRS Pioneer Funds. And in September at the Clinton Global Initiative, we formally launched GIIRS Ratings and Analytics and announced 15 [Pioneer Investors](#). Those investors have publicly declared their investment preference for GIIRS rated companies and funds, and cumulatively represent \$1.5 billion in impact assets under management. All in all, it was a year of much progress for our nascent ratings system, which couldn't have been accomplished without the support of our many partners – in particular, Prudential, Deloitte, USAID and The Rockefeller Foundation.

As always, thank you for supporting our efforts. Wishing you all the best for 2012!

The GIIRS Team

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Ratings Status Update

- 111 GIIRS Companies Rated
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GIIRS Launches a Directory of GIIRS Rated Companies and Funds

Visit the [GIIRS Company Directory](#) and the [GIIRS Fund Directory](#) to see all of the GIIRS Rated Companies and Funds, find potential investments, find a potential investor, or learn more about the type of companies and funds that impact investors are investing in. Investors who want to learn more about any rated company or fund may ask a company or fund to share their full ratings report with them or subscribe to GIIRS Analytics once it launches in February. Through GIIRS Analytics, investors will be able to access powerful due diligence, benchmarking, and analytical tools that allow them to fully understand the impact that one company or fund is having as compared to its peers.

A Conversation with GIIRS Pioneer Fund IGNIA and Tanya Beja

In the coming months, GIIRS will compile a number of case studies and interviews with GIIRS Pioneer Funds, Companies and Investors. Below are excerpts from our first interview, with Tanya Beja, Head of Industry and Investor Relations at IGNIA.

Why did IGNIA become a GIIRS Pioneer Fund? We believe that in order for a fund to call itself an impact investing fund, it must be committed to measuring its impact. In order for the industry to take off, we [industry players] must come together to agree on a common standard that we will all be measured against. We believe GIIRS is the best standard in the market right now to capture social impact, to measure across portfolios and sectors, and to build a transparent and legitimate system. GIIRS puts our feet to the fire to make sure we're delivering.

How interested are your current investors in IGNIA's focus on social and environmental impact? The inspiration for IGNIA was to be a fund that targets the BOP and builds a more equitable world through its investments. While we have a spectrum of investors, including investors primarily focused on earning above market rate returns, the majority are very interested in our social and environmental impact. We are proud that one of our investors, the Inter-American Development Bank's Multilateral Investment Fund (MIF) is the first multilateral organization to make GIIRS a requirement for its impact portfolio.

How was the rating process for your portfolio companies – tell us what about the biggest challenge and the best part of the process. The biggest challenge was rendering information in a manner appropriate for the assessment. For example, portfolio companies had general worker information but needed to delve deeper to extract specific metrics around segmentation by gender or wage structure. The process of getting rated for the first time is hard because the information you're collecting and producing is new; the next time companies go through the

Upcoming Events

Benefit Corporations begin to register in NY - Albany, NY, Feb 10

[New Ventures Latin America Impact Investment Forum](#) – Mexico, February 13-15, 2012

[Institute for Private Investors' Winter Forum](#) – San Francisco, February 15, 2012

Partner News

IRIS version 2.2 Released by the Global Impact Investing Network

The Global Impact Investing Network (GIIN) released version 2.2 of the [Impact Reporting and Investment Standards \(IRIS\)](#) on November 17, 2011. IRIS is a common language for measuring and tracking the social, environmental, and financial performance of mission-driven organizations. IRIS underpins the GIIRS ratings and analytics methodology. The new release reflects the latest thinking from industry practitioners including FAST lending members, IRIS stakeholders and experts in sustainable agricultural production, trade financing, and performance measurement. It contains minor upgrades to existing metrics, modifications to glossary definitions, as well as several new indicators. To learn more, click [here](#).

GIIRS process, I believe it will be easier. The best part of the process for the companies was realizing that there is a wealth of information in the impact data that can help them manage their business better. Our portfolio companies are taking what they learned through the GIIRS assessment and using it to identify weaknesses in their business model. Also, as a Pioneer Fund, we worked very closely with the GIIRS team who were supportive and collaborative throughout the process.

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IGNIA is preparing to raise a new fund. How has your GIIRS Rating factored into the process, or how do you expect it will be used as you approach investors for the new fund?

We see being a GIIRS rated fund as adding legitimacy to our mission and our commitment to improve impact over time. As we are going back to the market to raise our second fund, we're seeing that the impact investing landscape has gotten bigger, with more people looking for and providing funding. One way we can highlight our commitment to impact investing is through our GIIRS rating, and we will showcase this in our new fundraising process.

Any final thoughts to share with other impact investing funds in the space? The industry is currently fragmented in the sense that investors require measurement of the impact of their portfolio investments in ways specific to each organization – as a result, investees spend a lot of time creating tailor-made impact reports for each investor. We hope more investors and funds sign on to GIIRS because it will help streamline reporting, enhance robust benchmarking, add legitimacy to the sector, and enable the broader market to understand what impact investing is.

Announcement of New GIIRS Pioneer Funds

GIIRS would like to recognize an additional group of seven funds that have committed to becoming GIIRS rated, bringing the total number of GIIR Pioneer Funds to 47. These new funds include: Conservation International's Verde Ventures Fund, the Agri-Vie Fund based in South Africa, Business Partners International's (BPI) Rwanda Fund, the Small Enterprise Assistance Fund's (SEAF) Permanent Capital Vehicle fund, Pearl Capital's African Agriculture Capital Fund II, AlphaMundi Group's Prometheus BoP Energy Access Fund and RISKebiz's Fund I. To read about the 15 new Pioneer Funds announced at the Investors Circle conference in October, click [here](#). All Pioneer Funds are listed on the GIIRS website, and as they complete the ratings process, will be listed on the GIIRS Directory. We thank our GIIRS Pioneer Funds for their leadership role in this industry-wide effort, and look forward to working with them in the new year. If your fund is interested in becoming a GIIRS Pioneer Fund, please email info@giirs.org.

Announcement of SAC Rotation Process

In December 2011, B Lab held a 30-day public application period for membership on its Standards Advisory Council (SAC), the body which governs standards within the B Impact Ratings System, for the term beginning January 2012. The SAC is comprised of 18 - 20 thought leaders, investors and practitioners with expertise in social enterprise, community development, employee engagement and environmental impact. SAC members serve 4 to 8 year terms and represent the geographies, impact areas, leading sectors and stakeholder groups significantly impacted by the B Impact Ratings System. B Lab expects 12 of its current members to remain on the SAC in 2012. Upon Board approval, B Lab will announce the newest SAC members in February.

Also, as part of the goal to continuously improve our standards development process and comply with international best practices, B Lab has applied for ISEAL Affiliate status and expects to be approved in Q1 2012. The ISEAL Alliance is the global association for social and environmental standards. Working with established and emerging voluntary standard systems, ISEAL develops guidance and helps strengthen the effectiveness and impact of these standards.
