



Calvert Impact Capital Overview

June 14, 2021

We want the financial markets to work for more people, more often



Our purpose

Making impact investable to create an equitable and sustainable world



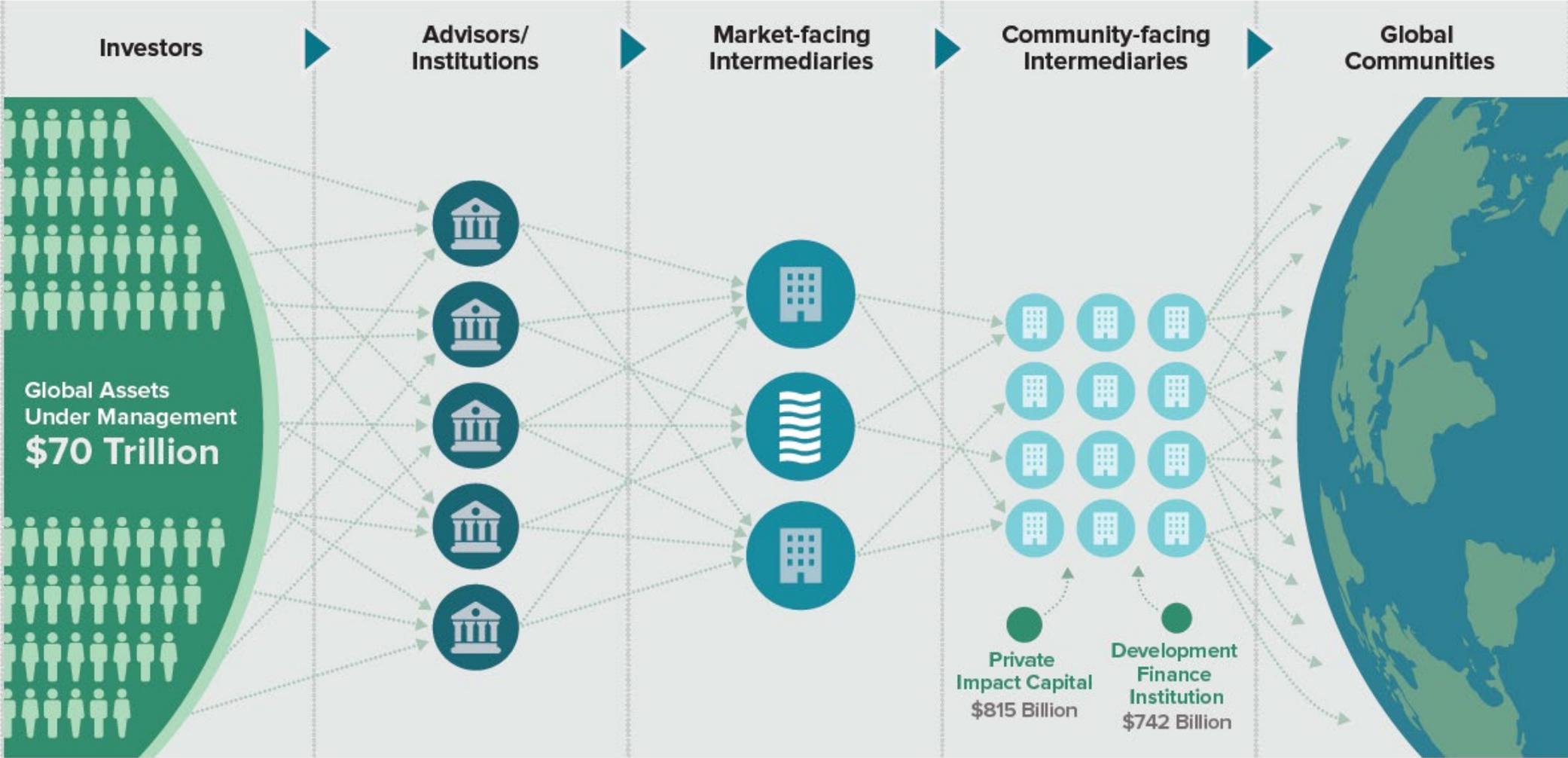
Our history

Started in 1995 with goal to raise and deploy capital for the benefit of low-income populations and under-represented markets

Remain focused on connecting investors to opportunities creating the community-based solutions people and planet need

Calvert Impact Capital has raised and managed over \$2 billion and currently manages over \$550 million with exposure across the US and in 100+ countries

We translate between the capital markets and communities



We have spent the past 25 years raising capital from values aligned investors...



We have raised over **\$2BN** from more than **18,000** individuals and institutions and have repaid all of them **100% principal and interest***

For more information please see our prospectus at www.calvertimpactcapital.org/prospectus

... and lending to mission-driven organizations across the US and around the world

We have deployed the **\$2 billion raised** into hundreds of organizations in diverse global communities with a cumulative underlying portfolio loss rate of **less than 1 percent**.

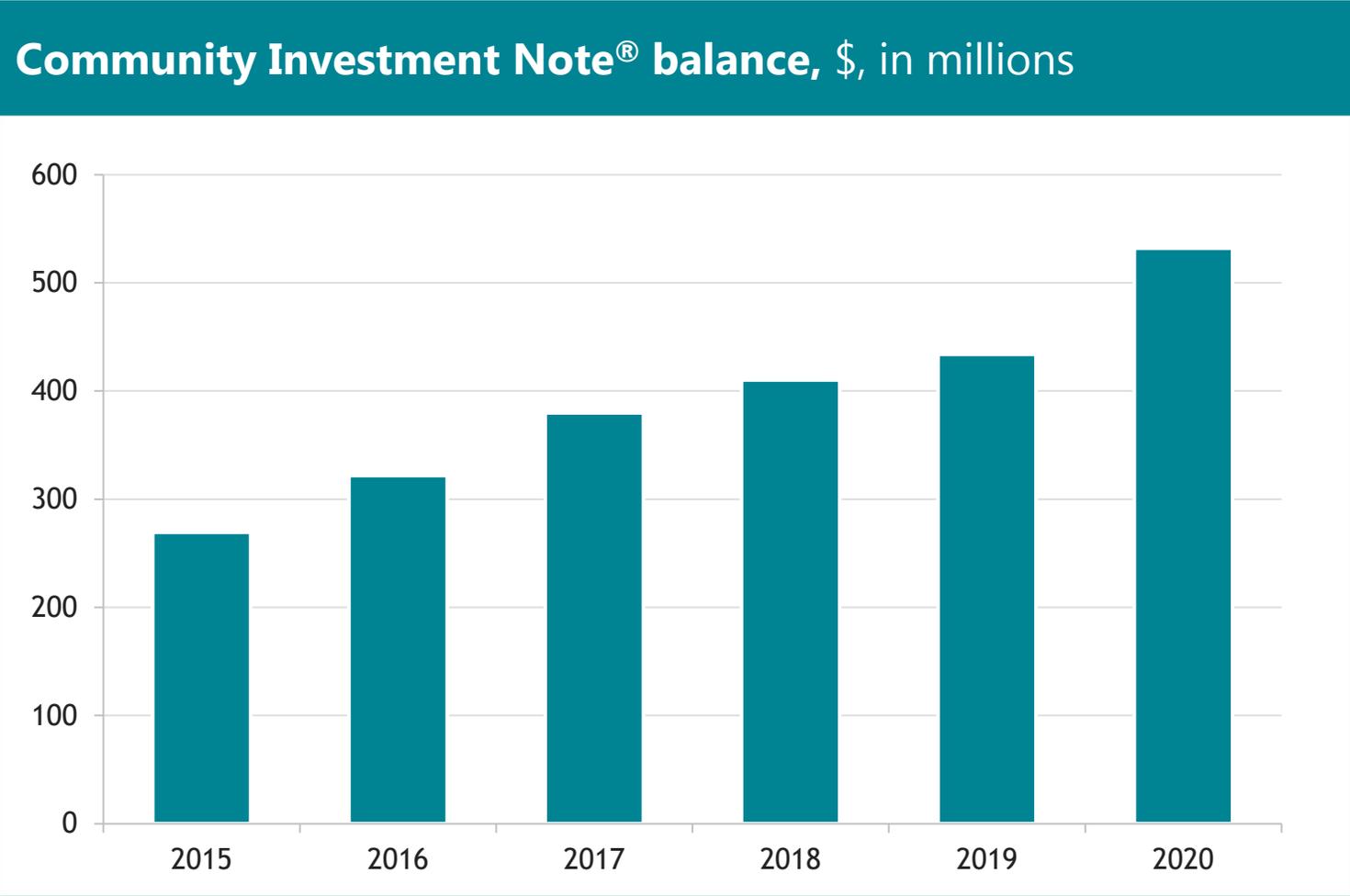


Community Investment Note®

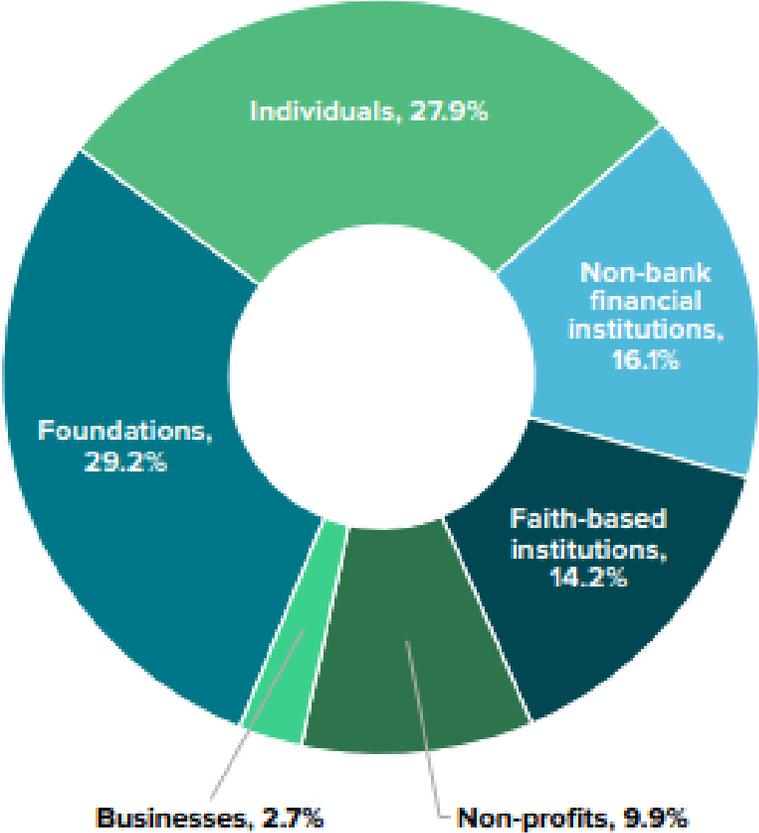


(Small sample of our 100+ borrowers)

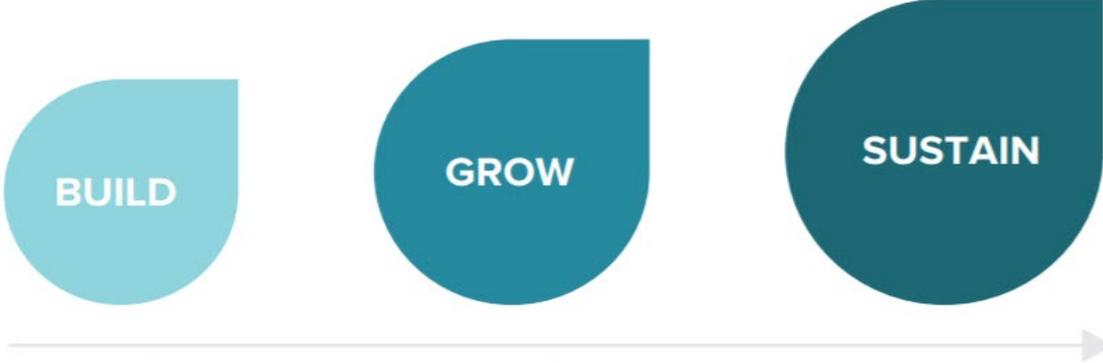
We have seen investor interest in impact translate to strong growth



Over 6,130 investors from individuals to many types of institutions



Our portfolio strategy is to help our borrowers build, grow, and sustain their operations and impact



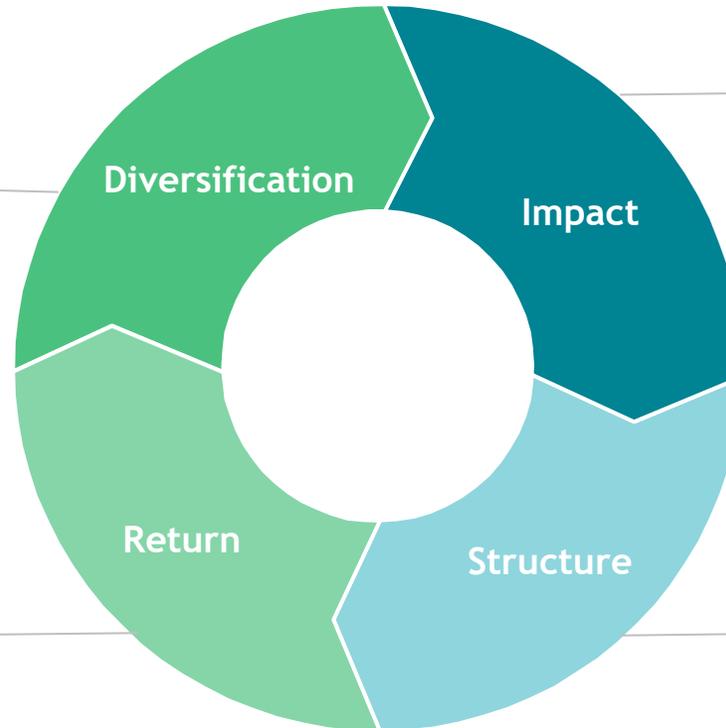
Our hope is that borrowers who start in the Build category scale over time and expand their reach and impact, thus strengthening the industry's intermediation capacity.

Strategy	Test new models, structures, approaches	Provide financing to scale proven models	Capitalize strongest partners at scale
Our Value Proposition	Provide demonstration capital for new intermediary solutions/approaches; leverage creative enhancement structures.	Understand borrower and market needs and crowd in other investors; tailor flexible financial products to support growth.	Reduce capital raising costs/complexities for partners; increase capital raising/deployment efficiencies; fuel continued innovation within mature platforms.

We manage the portfolio across 4 main dimensions

- Intentional diversification: central to mitigating risk, enabling scale, advancing portfolio impact
- Primary focus on intermediaries and funds, across diverse geographies, sectors, and product types
- Manage the portfolio to balance larger, low risk profiles with smaller, higher risk profiles

- Target portfolio returns to meet the market, cover our costs, and sustain growth
- Loan-level risk scoring and pricing considers operating costs, risk, and forecasted ROE



- 100% impact: Impact model screens and scores on impact alignment
- Community and portfolio impact imbedded from diligence through life of loan
- Borrower screens for business models with mission embedded

- Creative structuring to translate capital to fit community demand
- Responsive to borrower needs, which vary based on local context, maturity
- Structure to mitigate risks and effectively leverage valuable risk-taking/subsidy dollars (50% of our portfolio is partially secured and/or guaranteed)

Business performance and impact performance are inextricably linked

Our global portfolio is focused on addressing systemic inequities and intractable social and environmental challenges

We invest in...



Increasing access to capital



Increasing access to quality, affordable basic services



Environmental sustainability and renewable energy

to address...



Income and wealth disparities

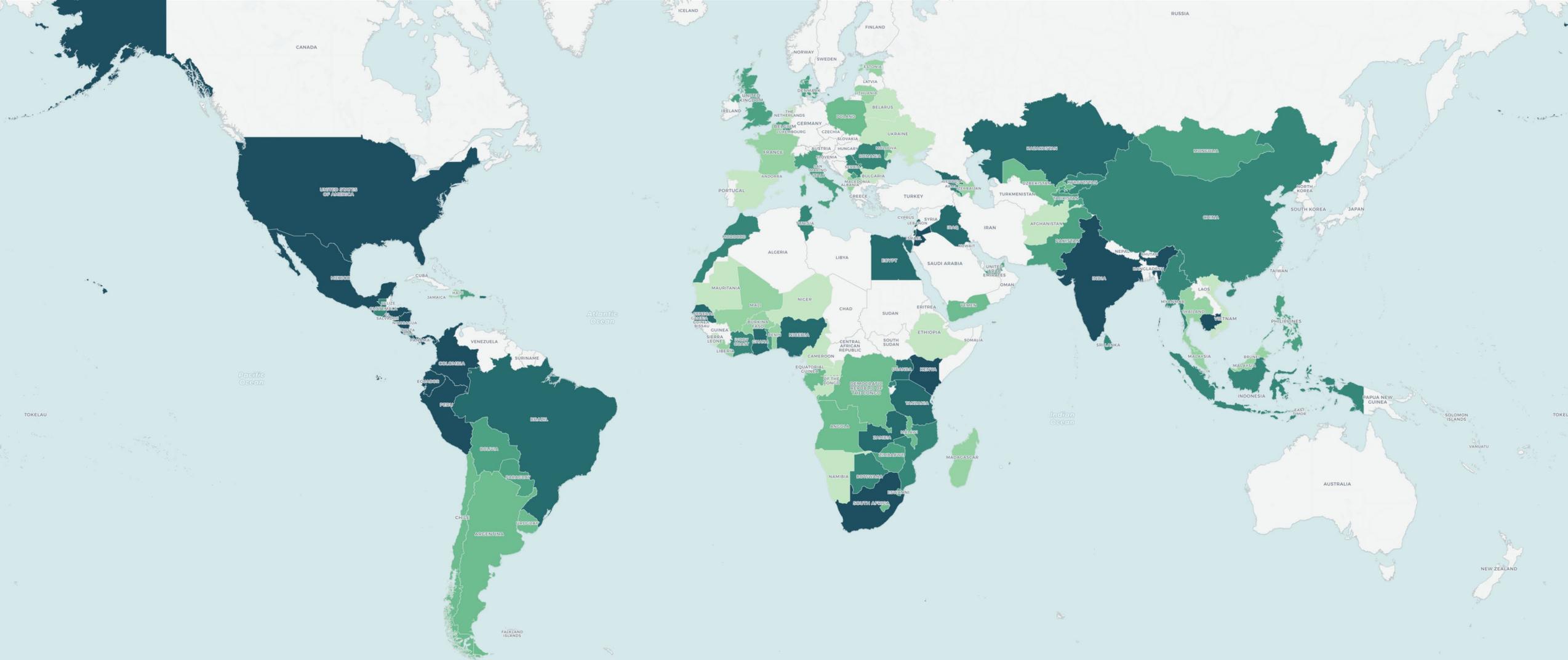


Lack of access to affordable housing, education, and healthcare

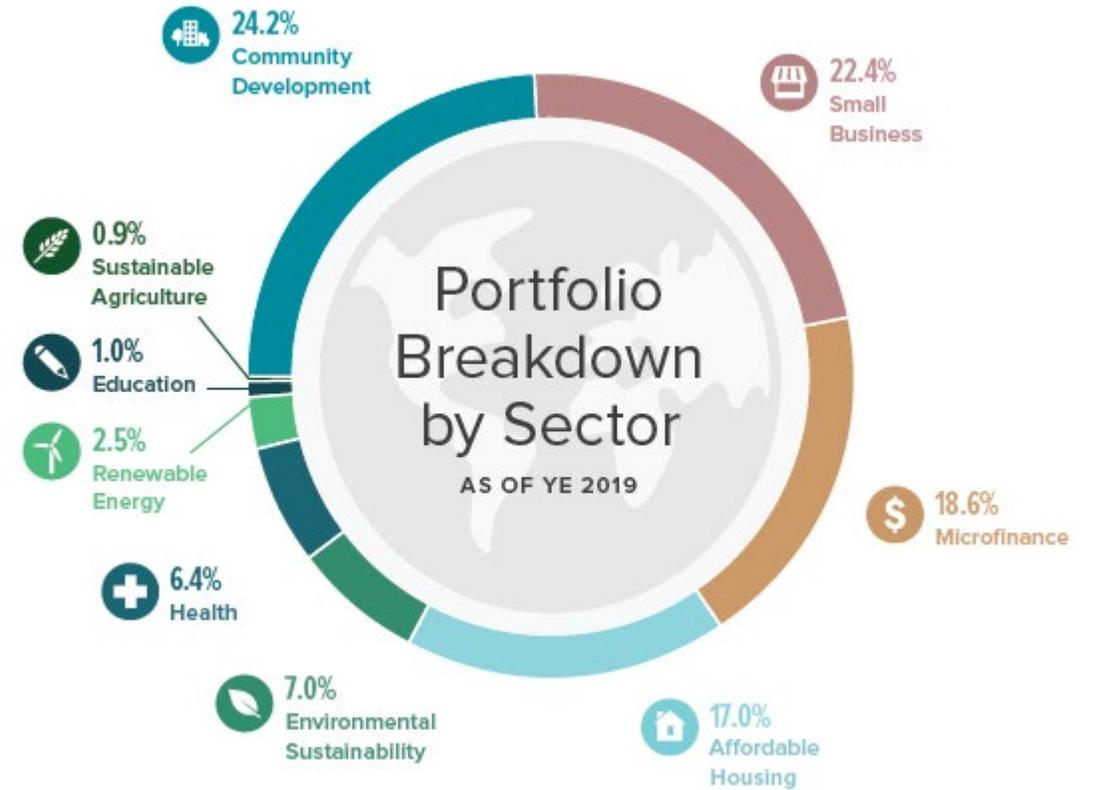


The current and future effects of climate change

Our capital is deployed in over 100 countries...



...and across 9 sectors.



We measure and report on the impact of every investment

Some highlights from our 2020 Impact Report

486,972

Jobs created or retained in small businesses



73,945

Sustainable farmers who accessed capital



4,361

School and educational facilities financed



72,404

Affordable housing units created or preserved





Our Impact Measurement & Management

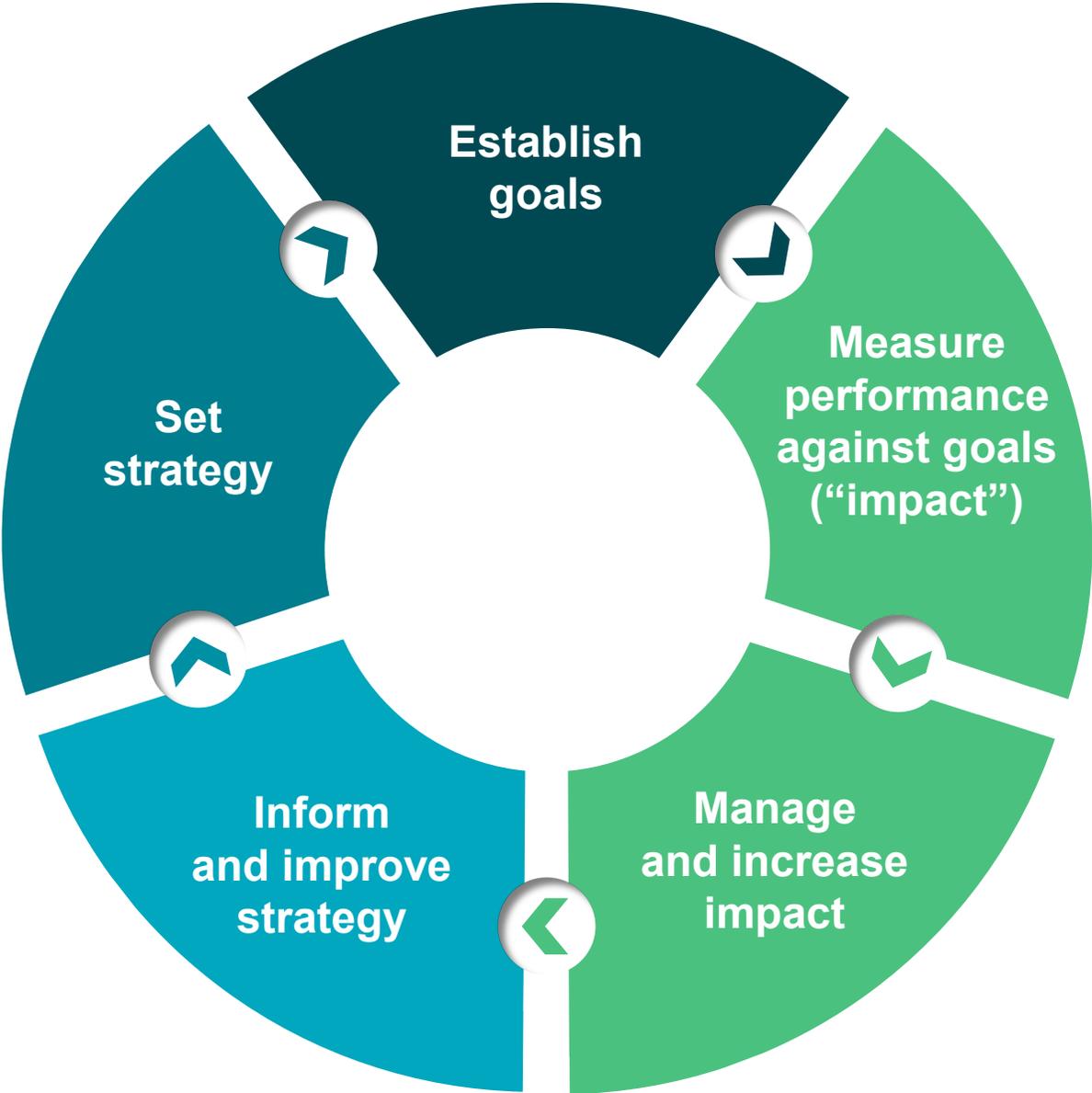
Impact Measurement & Management (IMM)

How we measure and manage our impact depends on our mission + strategy

Calvert Impact Capital's Mission

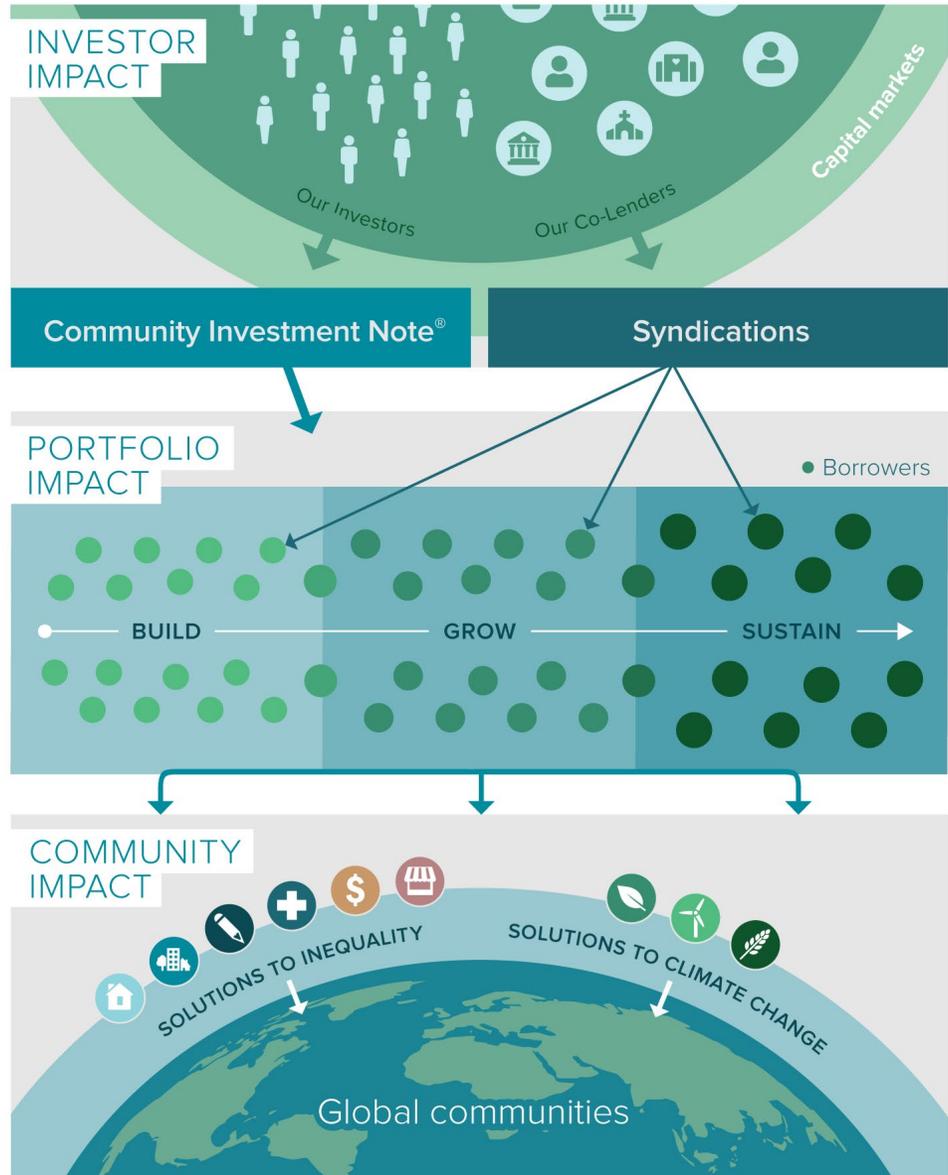
Organizational Strategy

Portfolio & Sector Strategy



Our Impact in Broader Context

IMPACT MEASUREMENT & MANAGEMENT FRAMEWORK



INVESTOR IMPACT

The impact we have on our individual and institutional investor community

PORTFOLIO IMPACT

The value our capital provides to our borrowers, their growth, and their ability to scale their own impact

COMMUNITY IMPACT

The outputs and outcomes that our capital helps to achieve in communities on the ground and for the planet

The industry's impact management practice

Impact measurement & management (IMM) best practice aligns with the investment management lifecycle and can be broken down into 3 core stages



How we utilize and contribute to the industry's impact management best practices

All of these initiatives contribute to industry convergence and standardization

- **Theories of change** aligned with research + **GIIN's IRIS+** sector strategies
- Piloted the **Impact Management Project (IMP) 5 dimensions of impact** w/ **GIIN Investors' Council**
- **Impact due diligence scorecard** developed w/ **IMP-led investor collaboration**
- **Annual impact data collection** and **public Impact Report**; robust quantitative + qualitative assessment of impact on borrowers, communities, and the planet
- 100% of impact metrics align with **IRIS+** and the **SDGs**
- All new loan agreements require annual impact reporting; all loans monitored quarterly



IMM Best Practice: Operating principles for impact management

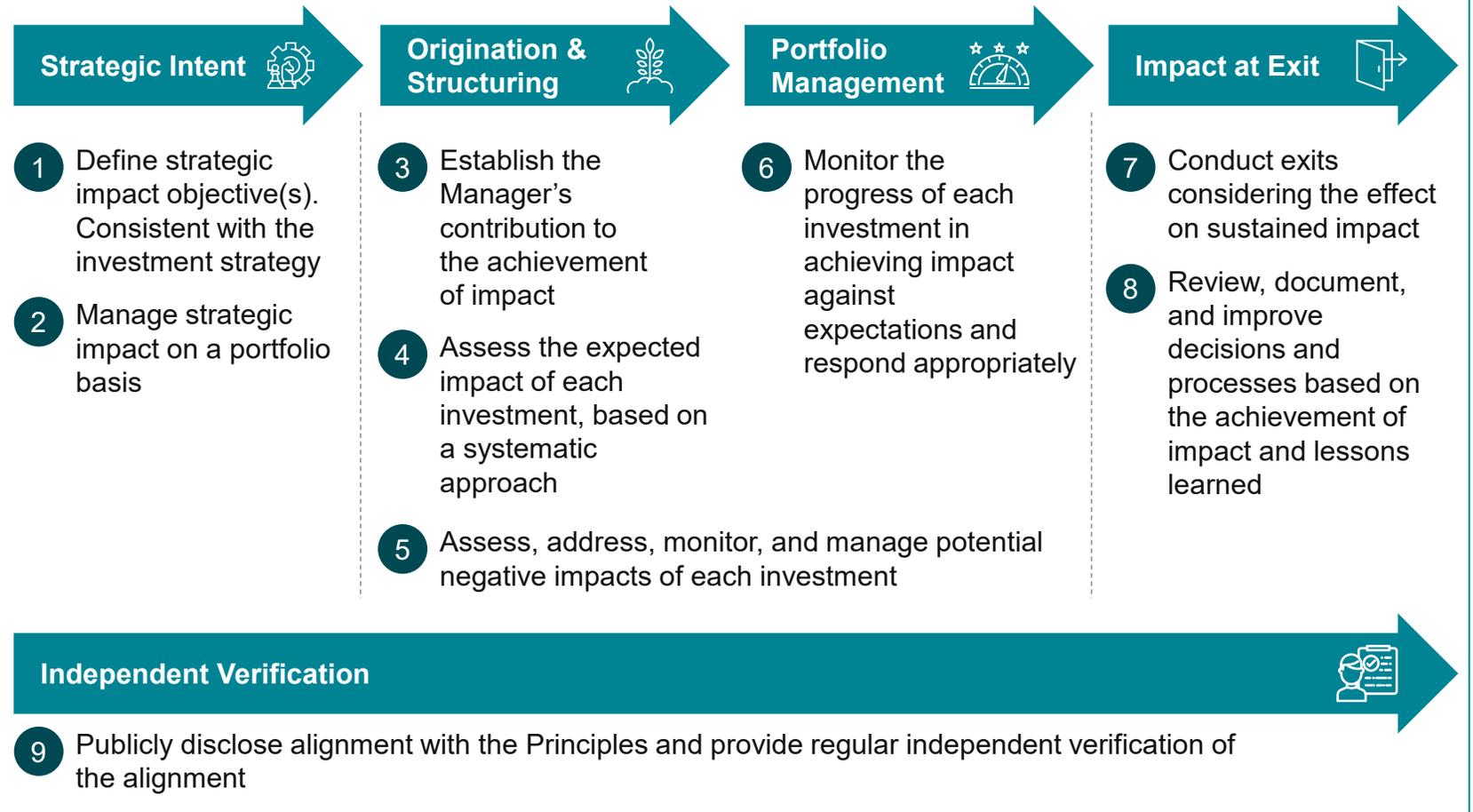
What are the Principles?

- Spearheaded at the IFC
- Adopted by over 100 leading global impact investors
- An impact investing framework that outlines best practice for impact management

Calvert Impact Capital

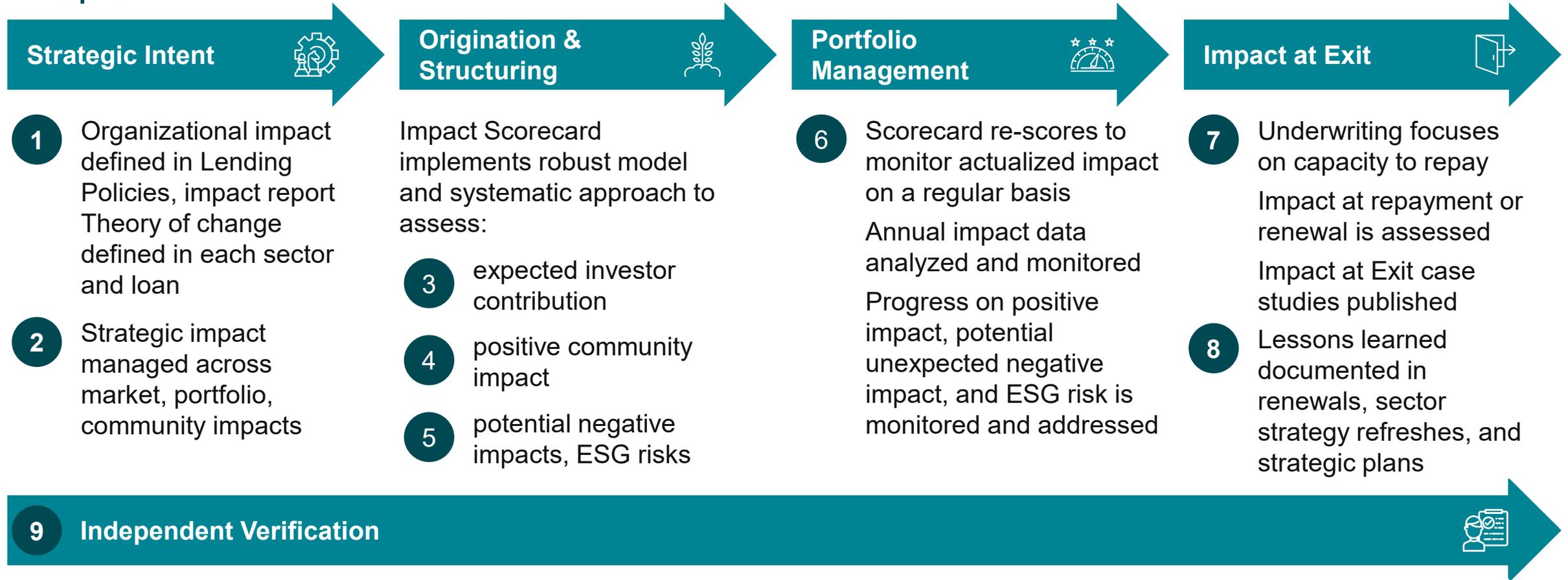
- Is a Founding Signatory
- Serves on Advisory Board
- Releases annual disclosure of IMM practices + regular third party verification of practice

Investing for impact: Operating principles for impact management



How our practices align to each of the principles

Principles:



9 Independent, third party [verification](#) conducted by BlueMark in March 2020

Deep Dive: Impact scorecard

The Impact Scorecard is our internal impact due diligence model. It will allow us to:



Project the **expected impact** (portfolio + community) of an investment at due diligence



Assess and score the **value** we place on the expected impact of our investment



Align with Impact Principles #3-6

Scorecard facilitates impact management throughout the life of investment



The scorecard includes our layers of impact and is built on best practice



Portfolio + Market Impact



Investment Purpose



Borrower Strategy



Availability of Financing in the Market



Investor Contribution

Customized to our strategy, but based on best practice

Semi-standardized (MDBs)



Community Impact



WHAT impact do they seek to achieve?



HOW MUCH (scale + depth)



WHO and **WHERE**



Borrower Contribution



Impact Risk



ESG Factors

Standard components based on IMP 5 dimensions

The model includes key questions to reflect strategy



Investment Purpose, Market Context, Borrower Strategy – 5 pts

- Market landscape: What is the borrower's place in the market (the specific sector, geography, or other context) given the sector and geographic context?

Financial Additionality (Contribution) – 21 pts

- What is the availability of our type of capital in this market?
- Would the borrower be able to obtain similar financing?
- Does the borrower require flexible capital?
- Part of a **Syndication**?
- Are we **catalyzing** additional capital?

Non-Financial Additionality (Contribution) – 11 pts

- Are we **signaling** to the market that this is an investable opportunity to ultimately attract additional capital?
- Are we taking a risk that other lenders perceive too high to **demonstrate** or prove the effectiveness of the model?
- Are we providing **advisory** services, technical assistance, or other feedback?

WHAT is the impact, ToC, metrics – 5 pts

- What is the borrower's sector strategy?
- Does their strategy align with our ToC?

HOW MUCH – scale – 5 pts

- Primary output metric + comparison to internal benchmark

WHO and WHERE – 5 pts

- Who is the target stakeholder?

HOW + Depth (borrower contribution) – 15 pts

- Market access gap + impact of non-lending activities
- Do they collect outcome metrics?

Impact Risk – 15 pts

- Evidence, execution, alignment, unexpected negative impact

ESG Policies – 12 pts

- Does the borrower have internal ESG policies?
- Do they have formal investment screens (ESG + impact)?
- Diversity & inclusion policy, gender equity on Board and leadership



Each loan has a score profile to show impact across dimensions

Borrower Performance on Impact Dimensions

Market Impact

The value our financing provides to the markets in which we operate (sectors, geographies, etc.)

Additionality

The financial and non-financial additive value, beyond what is available in the market, that we bring to the borrower

What + Who + Scale

The projected outputs for communities, who is impacted, and the potential scale of impact

Depth + How (Contribution)

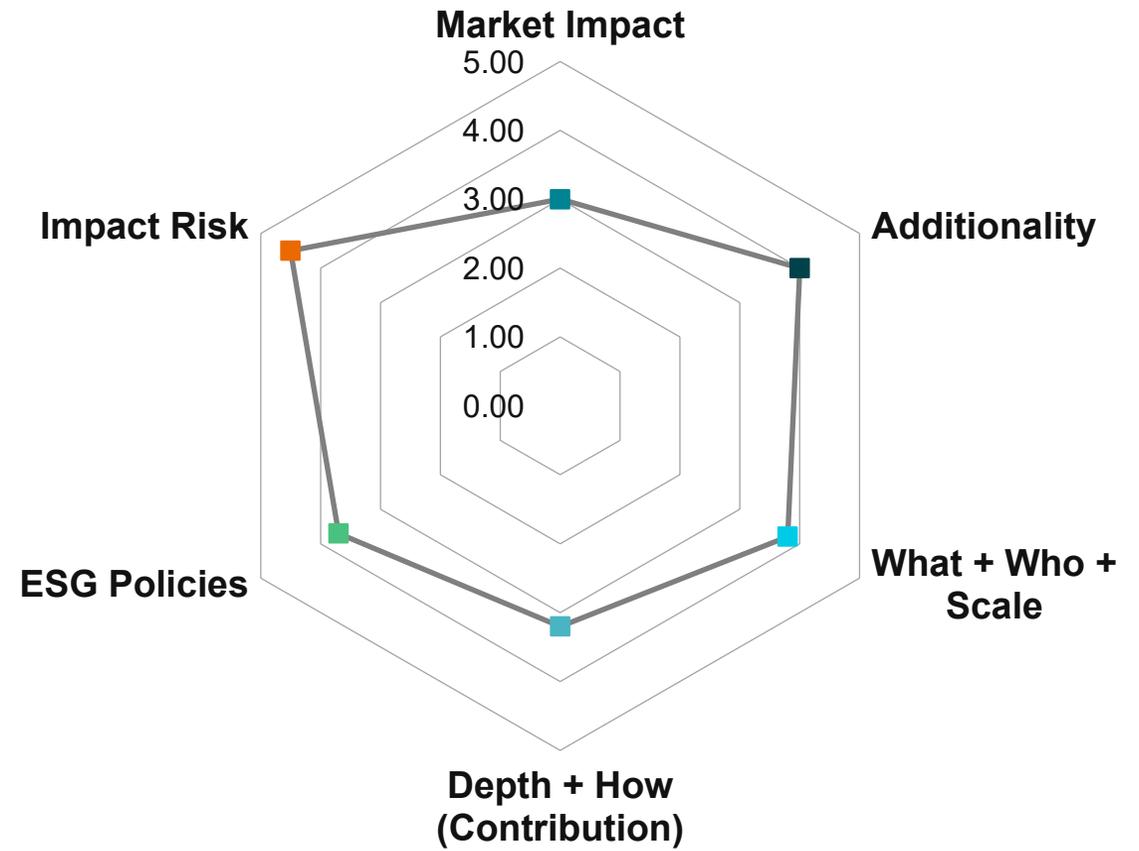
The longer-term outcomes of the borrower's financing, non-lending activities that augment their impact on communities, and the potential to contribute to solution given the size of the problem

ESG Policies

ESG or impact policies; impact screening policies, diversity & inclusion policies, gender composition of management and Board

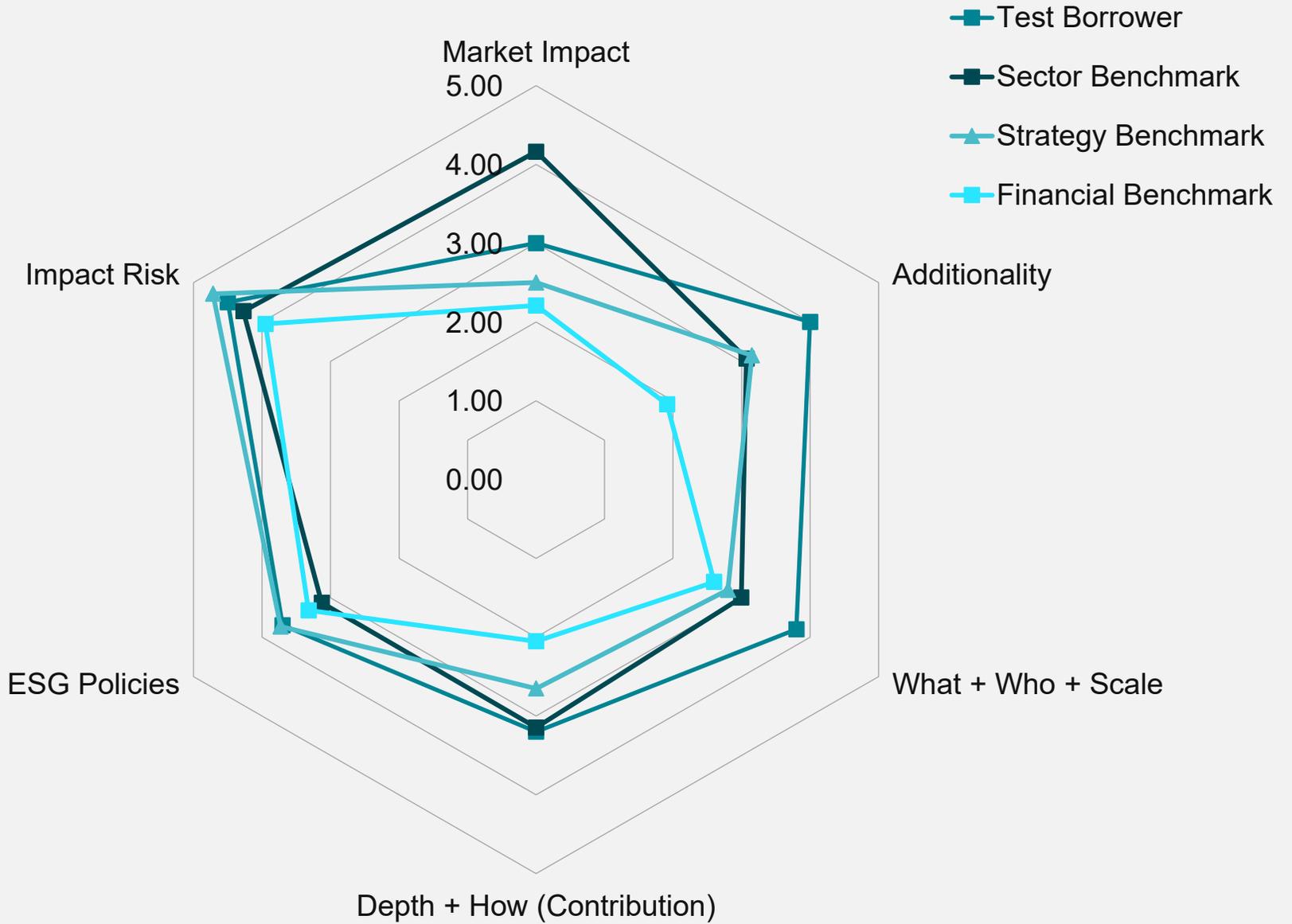
Impact Risk

Risks that projected impact may not be achieved, including: evidence, execution, unexpected negative impact, alignment; higher score indicates lower risk



Different benchmarks can be used to show comparisons during analysis and loan review

Borrower Performance Against Benchmarks



Deep Dive: Post-Investment Monitoring

- We monitor the impact of the portfolio in four ways

