

# An Analysis of Our First Impact-Linked Loan to Drive DEI



Photo by Tobias Carlsson auf Unsplash

A little over twelve months ago, we launched Incluye, an SME loan product aimed at driving diversity, equity and inclusion (DEI) at medium-sized businesses in Mexico (we wrote about it [here](#)).

The product is structured as a three-year straight-line amortised loan, while the interest rate is directly linked to delivery of specific DEI milestones. The SMEs get a rebate on their interest rate for each milestone they deliver (read [here](#) to learn about the six dimensions we use to guide milestone development), with the potential to reduce their interest rate by 40 to 50%. That is quite significant in a rising interest rate environment!

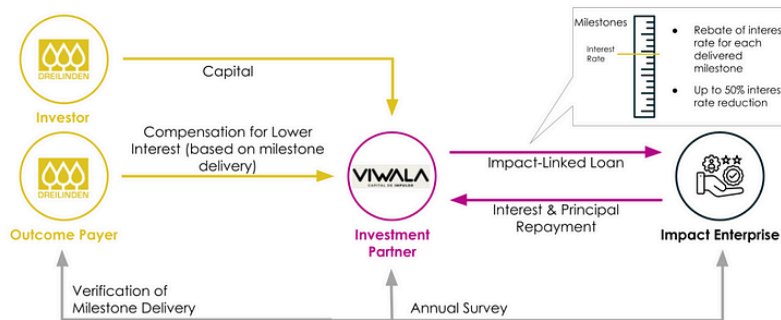


Figure 1: Diagram based on Impact-Linked Finance Fund's SIINC model

Following our baseline assessment upon the launch of our inaugural Include loan, we have now just concluded our first annual survey. The borrower is a Mexican logistics company with 650 members of staff that operates out of seven logistics centres across the country. The company had delivered all the pre-agreed milestones (and more) over the past twelve months, and we were very curious to see whether the workshops, training and campaigns had had any effect on the company's culture. Here are some interesting nuggets from the survey:

## Inclusive leadership

“Do you believe that the leadership of the company is contributing to and supporting a diverse, equitable and inclusive culture?”

In 2022, 53% of the company considered the leadership of the company to be inclusive. In 2023, this figure increased to 62%. While this alone is a big step in the right direction, we were curious to see how this metric had evolved among people we wanted to have the most impact on—LGBTQIA\* communities. Over 90% of people self-identifying as homosexual and over 65% self-identifying as bisexual consider the leadership to be inclusive—a significant leap forward!

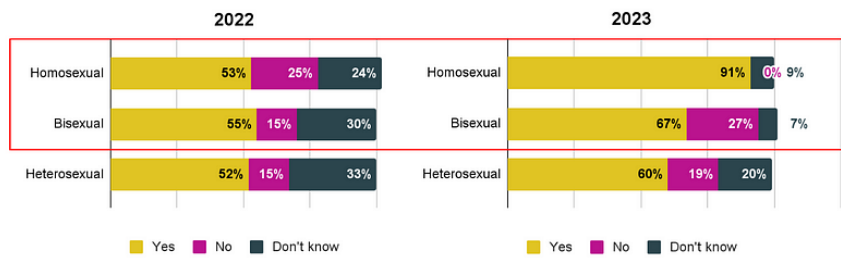


Figure 2: Annual Survey Results 2023

## Diverse talents

“Do you think the company gives equal opportunities to all people?”

Some 75% of the employees regard the company as completely or very inclusive when it comes to providing equal opportunities. This compares to only 53% the year before, an improvement of over 40%.

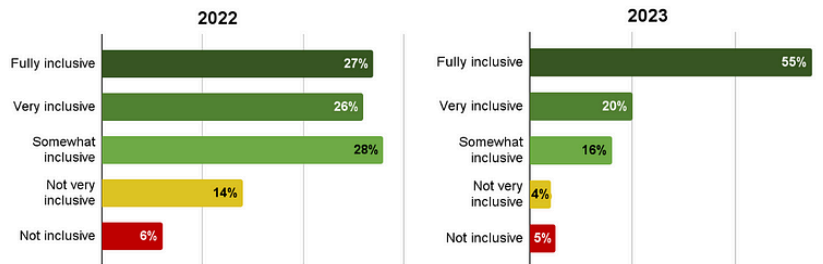


Figure 3: Annual Survey Results 2023

The diversity of sexual orientations among staff members has, however, lessened over the past twelve months, with the number of people identifying as non-heterosexual decreasing from 17.41% to 10.7%. It will be interesting to see how this metric develops over the coming twelve months, given the encouraging developments in inclusive leadership and inclusive culture, which we would hope would attract more diverse talent going forward.

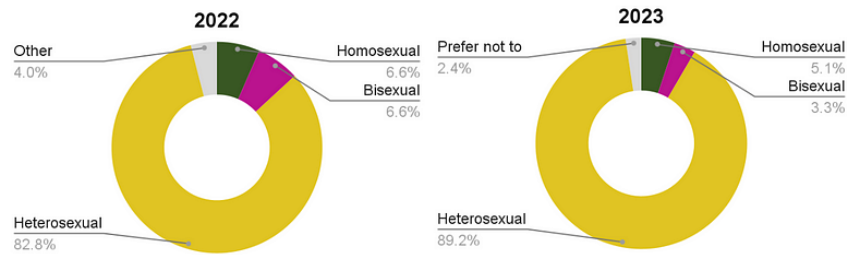


Figure 4: Annual Survey Results 2023

## Inclusive culture

“Is the company a safe and trusted space where you can be who you are and fully express your identity?”

The company demonstrated a major improvement in this regard, with the number of people who said that they can bring their whole selves to work rising from 67% to over 80%. Particularly encouraging was the fact that 100% of trans people felt safe, while 69% of non-binary people responded that they felt safe. Of course, we should always aspire to create environments where *all* people, i.e. 100%, feel safe and we hope to see further improvement in this regard over the coming twelve months.

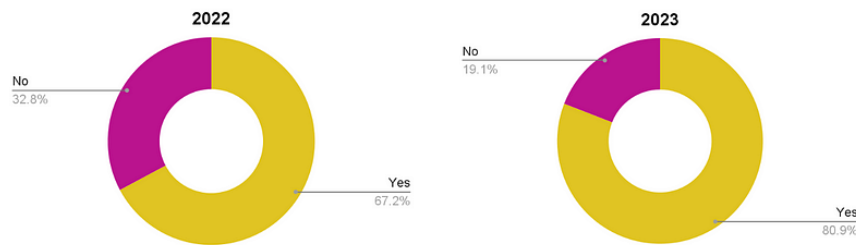


Figure 5: Annual Survey Results 2023

## Conclusion

The results of the first survey are very encouraging. The DEI milestones revealed positive impacts on the company’s culture. Of particular note are the facts that:

- Over 90% of people from LGBTQIA\* communities consider the leadership of the company to be very inclusive.

- The company was perceived to be completely or very inclusive with regard to equal opportunities for all, with 75% of employees confirming that this was so.
- 100% of trans people feel safe in the workplace—a very encouraging sign for a community that remains marginalised on many different levels.

One area we want to keep an eye on is the reduced number of people identifying as non-heterosexual. Two key goals of the financing are to facilitate better access to job markets and to increase the number of safe spaces for people from the LGBTQIA\* communities. While we seem to be on track with regards to the latter, there does seem to be room for improvement on the recruiting and talent retention side.

What we are most pleased about is the shift in culture that seems to be happening at the organisation. This was summarised succinctly by one member of the management team:

“The Incluye loan was a watershed moment for our organisation! Thanks to Viwala, we have understood that companies do not only exist to generate wealth, but also to have a social impact and improve the wellbeing of the communities where we work. Today we are convinced that we will achieve our goals not because we get the best interest rate, but because we embrace the idea of being a more diverse and inclusive company for the LGBTQ+ community in Mexico.”

. . .

## About Stefan Bollier

Stefan is a member of Dreilinden’s investment committee. He is the founder of Swiss-based Impact Advisors LLC, which is advising Dreilinden on the development and implementation of the foundation’s impact investment strategy.

## About Dreilinden

Dreilinden is a Hamburg-based foundation dedicated to advancing societal acceptance of gender and sexual diversity. Founded in 2007, Dreilinden plays a driving role in supporting people with diverse sexual orientation, gender identity and expression and sex characteristics, providing grants and investments. Kindly note that Dreilinden is not accepting any grant applications at this time.

## About Victoria McInnes

Victoria serves as the Director of Operations at Viwala. She has 6-plus years of experience in finance and consulting, working with impact investors, entrepreneurs, accelerators, and government organisations. She served as an outsourced CFO for two social organisations in Mexico and is co-creator of a proprietary impact investing framework. Victoria holds a Master's degree in Economics & Strategy for Business from Imperial College Business School, London.

## About Viwala

Viwala is a Mexico-based investment firm that empowers early-stage companies to scale up their positive impact on the world, focusing on gender equity and inclusion, social and economic empowerment, and climate change. As a part of the New Venture group, Viwala endeavours to challenge the status quo by developing, testing and implementing innovative blended financial solutions that meet the needs of underserved social and environmental impact enterprises in Latin America.