



# Social Performance Management Annual Report

2024



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# Key Social Performance Management (SPM) Milestones

**Mar-2015:** Maxima Cleanliness and Health Promotion Project (MCHPP), with first Hand Washing Workshop initiated at Kbal Koh Village, Sangkat Koh Dach, Khan Chhroy Changva, Phnom Penh

**Jun-2015:** Attend training workshop on "Responsible Financing" organized by Oiko Credit.

Maxima Management Team to set up the action plan for Client Protection Principles (CPP) aligned with Smart Campaign.

**Jul-2015:** Training on CPP with all COs

**Sep-2015:** Board Resolution to integrate SPM in Maxima and establish SPM Committee

**Apr-2016:** Training on CPP with Middle Management

**Jul-2016:** Maxima Green Cambodia Campaign (MGCC), "Each One Plant One", initiated at Chheur Teal Village, Prek Anchanh Commune, Kandal Province

**Dec-2016:** SPM committee discussed and prepared the Smart Campaign Diagnostic Tool on CPP

**Feb-2017:** Training on CPP with Branch Managers and Chief of Service Office

**Jun-2017:** Joined Client Protection Principles Workshop "Pathway to certification under Client Protection Framework 2.0"

2015

2016

2017

**Jul-2019:** Received Client Protection Certification from Smart Campaign



2018

**Dec-2018:** Hired rating agency, M-CRIL, to conduct rating for CPP Certification

2019

**Aug-2020:** Conducted Voice of the Clients with Smart Campaign

2020

**Nov-2021:** Completed and passed the required biennial check-in of the CPP Certification, conducted by MicroFinanza Rating

2021



**Sep-2023:** Mangrove planting at Kep

**Nov-2023:** Received Client Protection Certification from MicroFinanza

**Aug-2022:** Registered with Cerise+SPTF as a committed institution on the New Client Protection Pathway

2022

**Dec-2022:** Completed the SPI4 self-assessment

2023

2024

**Sep-2024:** Mangrove planting at Kep  
**Oct-Nov 2024:** SPI5 audit assessment

## 1. Introduction

Social Performance Management (SPM) is an integral aspect of Maxima's operations, aimed to translate our social mission into practice. We put in place social goals, monitor the achievement of our social performance objectives, and integrate social performance information in our decision making, both operationally and strategically. Maxima balances the social and financial interests of its clients, employees and other stakeholders.

In November 2023, MAXIMA obtained the Client Protection Certification from MicroFinanza Rating (MFR) that indicated the commitment towards client protection. To fully anticipate and adhere to all the guidelines of the program, MAXIMA continues to mainstream the understanding within instructional level from top to bottom, from our Board of Directors, Management Team, Staff and related stakeholders. The training program under CPP is provided to staff regularly as for new staff and as refresher course for the existing staff to ensure alignment and practices accordingly.

There are some activities in place that MAXIMA implemented during 2024 which is part of corporate social responsibility to cover both client-centric, employee-centric and environment. On an environmental related project, MAXIMA conducted the City Clean event, and planted the mangrove tree. At the same time to improve the working environment and foster teamwork, MAXIMA arranged some events such as staff annual parties, football matches for staff, and the run for charity purposes. Other than that MAXIMA conducted a satisfaction survey, and an exit survey for clients and our staff. MAXIMA focused and strengthened the Financial Literacy Project for our clients and in 2024, we implemented "My Money Tracker", a project in partnership with Good Return. Throughout the project we trained our clients mainly on how they could manage the cash flow.

As a significant event, MAXIMA completed one event for City Clean, one event of Mangrove Planting in Kep Province, one project under Financial Literacy for clients, and as well as activities for staff and team building.

In October 2024, MAXIMA with the support cooperation from the Gojo SPM team, conducted the SPI5 assessment under the Universal Standard for Social and Environment Performance Management (USSEPM).

## 2. Client Relationship Management

MAXIMA conducted a client satisfaction survey and client exit survey to understand more from the clients.

### 2.1. Client satisfaction survey

MAXIMA conducted the client satisfaction survey on a quarterly basis to understand and assess the level of satisfaction of its clients with the products and services provided to the clients. The client satisfaction report is released on a semester basis.

During semester 1 of 2024 (Result survey Q1 and Q2 of 2024), 82% of the clients expressed satisfaction. The net promoter score is 54.2% for branch channel clients and 59% for the village banking channel.

The major areas of satisfaction are:

- Speed of obtaining the loan
- Process simplicity
- Process simplicity
- Guarantee system / collateral principles

Improvement points and recommendations noted in the survey are taken for further improvement.

### 2.2. Client exit survey

Client exit surveys support MAXIMA to enhance our products and services to meet the client's needs. The survey is conducted for clients who have paid off but have not renewed their loan. The purpose is to obtain information which would serve as reference for Maxima to analyze the level of client drop outs,

identify any defects or problems in our products or services which leads to dissatisfaction and distinguish improvement points to improve client retention.

The dropout rate in 2024 is 56.54% (information based on the report in MIS). Based on the survey result, clients exit showed dissatisfaction for various reasons including interest rate, repayment method, amount of loan provided (ticket size), and Process simplicity / convenience.

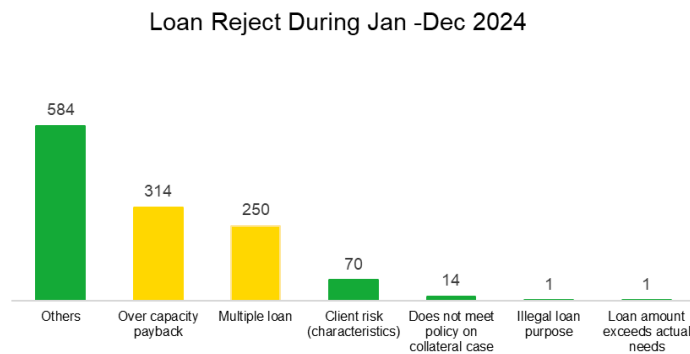
### 3. Client Protection Activity

#### 3.1. Appropriate Product Design and Delivery

MAXIMA designed products include agricultural loans, construction loans, business loans, small loans, etc., for offering to our clients based on their needs and preferences. MAXIMA strives to provide products and services as an answer to the clients' request, based on real situations and that MAXIMA ensures not to do the aggressive sales technique. During 2024, MAXIMA mainly focused on the Village Banking channel loan and accelerated the growth.

#### 3.2. Prevention of over-indebtedness

MAXIMA conducts loan assessment carefully and implements as policy stated. The assessment mainly focuses on the clients' repayment capacity. MAXIMA will reject the loan in case clients do not have enough capacity to repay or clients are in multiple loans. In 2024, 1234 loan applications were rejected for various reasons as shown in the below graph:



#### 3.3. Transparency

MAXIMA has designed a transparency form which is aligned with the requirements from the National Bank of Cambodia (NBC). The form includes details such as pricing, terms, conditions and other information necessary for clients to make an informed and right decision. Before signing on the contract, the Loan Officer explained thoroughly to clients on the content in the transparency form.

#### 3.4. Responsible pricing

Maxima sets prices competitively, taking into consideration the interest rate ceiling of 18% as required in Prakas B7-017-109-P.K issued by the National Bank of Cambodia on 13 March 2017. On the other hand, Maxima also analyzes components of its interest rate including funding costs, credit costs and operational costs. MAXIMA continuously sophisticated our operation to reduce the costs, which enables us to discount the prices for the clients. During 2024, MAXIMA released the new pricing based on the result and suggestion from the client satisfaction survey and the client exit survey.

#### 3.5. Fair and respectful treatment of client

In 2024, MAXIMA updated HR Policy and ensured part related to staff behavior towards our clients to promote good and fair practices in dealing with clients followed the internal Code of Conduct. Upon hiring, each of our staff signs an acknowledgement form confirming that the Code of Conduct has been thoroughly explained and he/she commits compliance to such defined guidelines. In addition, the Code of Conduct is included in the onboarding and refresher training of all our staff. Finally, the Code of Conduct is also displayed on banners at all branches for information to clients. MAXIMA observed the fair and respectful treatment to clients by using client satisfaction surveys to reflect that also.



### 3.6. Privacy of client data

Maxima collects clients' data for various operational purposes. These client data are kept in secured locations and access is limited to authorized personnel. In instances where sharing of client's data to external parties are required, Maxima requests permission through obtaining consent forms signed by clients. As stated also in the Code of Conduct, MAXIMA values privacy of client's data and staff needs to be aware and careful when handling clients' data.

### 3.7. Mechanism of client complaint

MAXIMA considers and values clients' complaints and pays attention to find solutions for the clients and also improve product and services. MAXIMA committed to handle and resolve complaints based on the policy and procedure. The process includes the filling and turnaround time for complaint investigation, resolution, and response to the clients. As a result during 2024, MAXIMA received 27 complaints.

### 3.8. Governance and HR committed to client protection

In order to ensure the commitment towards the client protection, the Board of Directors have an important role in guiding the strategy and make decisions based on social and financial data. Therefore, the Management Team from time to time submitted to the Board of Directors for the report on client satisfaction survey, employee satisfaction survey, client exit survey, client complaint report. In 2024, the Board Social and Environmental Performance Committee was established to govern MAXIMA on part of social performance related tasks. There was also a session refresh to the Board of Directors on the Social Performance Management Training.

## 4. Corporate Social Responsibility and Environmental Activity

During 2024, various corporate social responsibility and environmental activities were implemented. The main highlight of the activities are:

- Staff annual party and gathering at Preh Sihanouk Ville - February 2024
- City clean event at Koh Okha Tey - March 2024
- Charity run event in Phnom Penh - June 2024
- Staff football match (3 matches)
- Mangrove planting in Kep Province - September 2024

### 4.1. Environmental activity

On 16 March 2024, MAXIMA Microfinance Plc. has conducted the city clean drive event at our operational area in Koh Okhna Tey. This event was participated by 42 staff (15 female and 27 male) and also 5 local authority officers at Sangkat Koh Okhna Tey. We mainly take it as a social activity, as part of our responsibility towards the environment. It is time for us to also give benefits for our clients and community.



Photo: City clean event at Koh Okha Tey - March 2024

Mangrove Planting Activity at Nesat Phum Thmei Community in Kep province was attended by 94 staff on 16 September 2023 with an estimated 500 Mangrove plants planted. As part of consideration for the environment, mangrove plays a crucial role in maintaining coastal areas and the ecosystems by absorbing carbon dioxide, protecting the shorelines from flood and soil erosion.

At Maxima Microfinance Institution, we believe in growth – not only financially, but also in our commitment to the environment. MAXIMA started the resumption of our “Maxima Green Cambodia Campaign” event. In Kep province, MAXIMA embarked on the second mangrove planting initiative, reaffirming the dedication to sustainable development.

In Sustainable Development Goals (SDGs), mangrove planting activity could help support various purposes and goals:

- Goal 6: Clean water and sanitation
- Goal 13: Climate action
- Goal 14: Life below water



Photo: Mangrove Planting in Kep Province - September 2024



#### 4.2. Staff activity

At MAXIMA we believe in maintaining good relationships with all-level of staff. We foster a good working environment and team building. We work hard and we play hard also.



Photo: Staff annual party



Photo: Charity Run (Half Marathon)

#### 5. Financial literacy

In financial literacy for clients, MAXIMA participates in the Financial Literacy campaign with Cambodia Microfinance Association (CMA) in both financial week and financial street 2. MAXIMA implemented the Pasio project and provided loans to clients from 18-35 years old and focused on loans to generate income. Clients who registered to Pasio community will be communicated through Pasio Community and continue to receive the financial literacy information and material.

As a new initiative, MAXIMA in partnership with Good Return on the project of “My Money Tracker” allows MAXIMA to extend further in training our clients on financial literacy and especially on Apps. Started the project in June 2024, MAXIMA has trained 123 clients on “My Money Tracker”. The program and Apps has helped our clients in recording their cashflow income and expense and focus on changing behavior in saving for emergency cases.

The activities on the financial literacy project is the MAXIMA’s responsibility for the social and the intervention from MAXIMA to support clients as part of non-financial services towards clients. Within the My Money Tracker, our impact and result from the program could help our clients to strive and understand further on financial management and personal finance. Though the report end-line survey will be conducted at the end of the project.



Photo: Training the Master Trainers on My Money Tracker and training the Village Banker (Apps Champions)



## 6. Universal Standard for Social and Environmental Performance

As committed to the social goal in 2024, MAXIMA conducts full assessment on the SPI5 to ensure we remain doing good for our clients, our employees, and environmental practice. The assessment happened during October 2024 to November 2024. The final report will be released around December 2024 or January 2025 together with some of the action plans in place for further improvement.



Photo: Field visit to branch and clients - SPI5 audit in October and November 2024.

## 7. Water and Sanitation Hygiene (WASH) loan



In Sustainable Development Goals (SDGs), goal number 6 is to ensure availability and sustainable management of water and sanitation for all.

A lack of safe drinking water and sanitation are major health risks affecting Cambodian people especially children across Cambodia, and particularly those who live in rural areas. Too many children are still denied the most basic rights to safe water, the dignity of using a toilet, and the simple practice of washing hands with soap. The consequences for children are severe, as high occurrences of diarrhea, skin disease, respiratory illnesses such as pneumonia, intestinal and other diseases. The main objectives of this program are to support access to financial services for WASH purposes. This is especially needed for poor households to reduce the risk of disease and to improve the livelihoods of existing MAXIMA clients and the community.

MAXIMA provided WASH loans to its valued clients who want to build or renovate latrine, digging/pumping-well, water storage or buy other water and sanitation materials to improve living conditions and contribute to social-economic standards. As of December 2024, we provided WASH loans to 286 existing clients.

## 8. Figure

### Employee Statistics

Total staff is 229 as of 31 December 2024, of which 34 are female. Staff turnover rate for 2024 is 20.58%

### Social Goal

In 2024, MAXIMA also defined the social goal targets and monitored actual achievement based on each of the indicators. Main achievements include: SPI5 audit scoring 75% (the standard to assess the social performance), completed 2 environmental projects (city clean and mangrove planting), overall client exit due to dissatisfaction or poor outcome maintained at around 3%. The most significant remark for social goals was the start of a financial training program to clients under project “My Money Tracker”. The overall target for financial literacy achievement is 21.57% of active clients (target set is 30% of active clients). Information missing from the social goal are: Staff satisfaction survey result, client satisfaction survey result and client exit survey result (for Quarter 4 of 2024). The detailed information is mentioned in Appendix 1 of this report.

Date: 15 January 2025

Reviewed and Approved by



**Mr. Tomohiro Isozaki**

Chief Executive Director

Phnom Penh, 06 January 2025

Prepared by



**Ms. Sim Soupheakna**

Head of Corporate Secretary and SPM

**APPENDIX 1 - MAXIMA Social Goal and Indicators Achievement for 2024**

#	Social Goal	KPI	Calculation Frequency	Actuals for FY2023	FY 2024	Quarter 1-2024 (Accumulated)			Quarter 2-2024 (Accumulated)			Quarter 3-2024 (Accumulated)			Quarter 4-2024 (Accumulated)			
					Annual Targets	Target	Actual	% of Achieved	Target	Actual	% of Achieved	Target	Actual	% of Achieved	Target	Actual	% of Achieved	
1	Client satisfaction and retention	% satisfied clients	Annual	93.50%	90%				90%	82%	91%				90%		0%	
2		% clients exiting due to dissatisfaction or poor outcomes	Monthly		Overall exit rate < 5%	1%	2.41%	241%	2%	2.10%	105%	3%	2.68%	89%	4%		0%	
3	Employee satisfaction and retention	% satisfied employees	Bi-annual	76%	80%				80%	70%	88%				80%		0%	
4		% employees retained	Annual	97.45%	80%										80%	79%	99%	
5	SPM and Environmental Goals	SPI5 audit score	Annual	N/A	85%										85%	77%	91%	
6		CPP status	Annual	Obtained by November 2023. Rating is Silver. However, >95% of indicators have been complied.	N/A													
7		Environmental projects	Quarterly	1	2	1	1	100%				2	2	100%	2	2	100%	
8		GHG emission (tCO2)	Annual	N/A	Calculate company GHG emissions by December 2024.													
9	Client Targeting	Active low-income savings clients	Monthly	N/A	N/A													
10		Micro to Micro-SME spectrum	Monthly	570	1,647 clients by Dec'24 (refer to financial budget for monthly figures)	659	713	108%	988	1,128	114%	1,482	1,572	106%	1,647	1,814	110%	
11	Product/service suitability for clients	Digital Payments	Monthly	N/A	N/A													
12		Financial/digital literacy projects	Quarterly		PASIO		41	0.41%		125	1.24%		215	2.14%		289		
					My Money Tracker (MMT)					100	76	76%	200	123	62%			
					Financial Literacy Through Apps												1,600	
					1 financial literacy program, targeting ~30% of active clients		41	0.41%		125	1.24%		291	2.89%		2,012	22.36%	
13	Transparency and accessibility of loan and savings information	Annual	N/A	N/A														