

SPRINGFOUR IS INTEGRAL TO ESG: FINANCIAL HEALTH IS SOCIAL IMPACT

June 2022



ESG AS EXTERNAL METRIC: FOCUSING ON THE ‘S’

Around the world, the connection between social impact and corporate stewardship is being recognized as an inherent part of a company’s business plan and mission. As stated in [a report](#) by Acumen and IKEA Social Entrepreneurship,

“Businesses across the globe play an increasing role in contributing to – and solving – some of the most complex problems of our time. Many are making ambitious commitments to make the world fairer, more inclusive, and environmentally sustainable, and are integrating these goals into their decision-making and business operations.”

In the U.S., companies’ [main historic focus on ESG](#) (environmental, social and governance) programs has been on environmental goals, especially for financial institutions that have deep investments in energy companies and are under pressure to respond to climate change. An additional focus on governance is emerging as companies put forth public goals on DEI initiatives that uncover their commitments to racial and gender equity. Regulators are paying increased attention to these initiatives; the CFPB has recently [released a report](#) that outlines standards for diversity and inclusion programs at banks based on asset size. These developments stress the importance of a company’s place in its community and society, recognizing the influence that large corporations have on the people, land, and infrastructure they interact with—in potentially positive and negative ways.

And yet, the majority of these goals are in fact internal to a company’s operations. They focus on investment strategies, hiring and promotion practices, Board memberships, product development, and building and development standards. With a heavy emphasis on the “E” in ESG and a lesser but emerging focus on the “G,” there is a ripe opportunity to broaden what ESG is really about, especially for financial institutions—with an external lens that emphasizes the “S.”

See an overview of SpringFour’s ESG impact in partnership with financial institutions [here](#).

SOCIAL IMPACT IS IMPORTANT TO SHAREHOLDERS

Financial services companies play an integral role in their customers' lives, including outside of the deposit or loan relationship. While the financial services industry has steeped itself in the financial health space over the last decade or so, the connection between financial health programming and ESG has yet to be fully fleshed out. If financial institutions begin to think about the ways that they work with external partners—fintechs, nonprofits, foundations, and others—to create a more just and equitable social fabric in their communities, they can help regulators, shareholders and consumers see a broader picture of what ESG is and how companies can, and should, be a positive force in their communities. But to do this, they need to expand their thinking about how they define ESG.

Indeed, according to [European Business Review](#),

“one-off interventions don't shift organizational culture...this really must start from the top – it needs to be a clear company strategy, with ESG goals integrated into business objectives across the organization...The reality is that ESG reporting is often a rhetorical exercise, and unless it is linked to the core business and strategy, it will never go beyond that.”

Here at SpringFour, we have seen how the partnerships that we have built have become an integral part of the story that our clients, including large banks, tell their shareholders about the important work that they do. In May of 2022, SpringFour was highlighted at BMO Financial Group's annual shareholder meeting:



PARTNERSHIPS ARE SOCIAL IMPACT

It has become increasingly clear that consumers want, and demand, that their financial institutions play a larger role in their lives. For example, families by and large want trusted organizations to help them through a financial crisis. A [2020 survey](#) conducted by SpringFour found that while only a small percentage of low and moderate income households were aware of financial resources available in their communities that could help them save money on household expenses, the vast majority--over 80%--were interested in getting such resources from their financial institution.

Indeed, many financial services companies are engaging in fintech partnerships, but it is a new proposition to integrate the outcomes of these partnerships into ESG reporting. SpringFour wants to change that. Companies can, and increasingly are beginning to, proactively utilize existing technology through partnerships with fintechs like SpringFour to further their customers' financial health--and to take credit for this good work through inclusion of such partnerships in their ESG reports. For example, in its [2020 Social Impact report](#), OppFi included metrics on SpringFour referrals when describing the work they are doing to build their customers' financial health.

2020 Key Highlights

NOTE: Definitions of bolded items can be found throughout this report. Each item underlined links to the location of the data definition.

| PROVIDE ACCESS TO THE BEST AVAILABLE CREDIT | BUILD AND PROMOTE FINANCIAL HEALTH | DELIVER EXCEPTIONAL CUSTOMER SERVICE |
|---|---|--|
| <p>We helped a total of 280,516 customers gain access to credit in 2020, representing over \$485M in total net originations.¹</p> <p>7 MONTHS to pay off loan in full</p> <p>144,381 total customers paid off their loans in full!</p> <p>Customers who paid in full, on average, paid 67% of their funded amount in interest. 67% paid in interest as a % of Principal.²</p> <p><2% Less than 2% of customers who have opted into the OppFi TurnUp program have received and closed a loan with a partner.³</p> | <p>We reported the payment histories of 424,149 customers to all three major credit bureaus.⁴</p> <p>+32 An internal Vantage Score® Study revealed that consumers who paid their loan off increased their Vantage Score® by 32 points.⁵</p> <p>Over 1M user visits to OppU, our free online financial education hub that offers standards-aligned financial literacy classes and educational content posted to our blog.⁶</p> <p>OppU</p> <p>Through our relationships with mission-aligned companies, like SpringFour and Steady, we provided consumers 100K+ referrals to free financial health resources.⁷</p> <p>SpringFour Steady</p> | <p>Maintained a market-leading Net Promoter Score of 85 in 2020.⁸</p> <p>85 NPS</p> <p>4.8/5.0 average of customer reviews</p> <p>Received an average rating of 4.8/5.0 from 14,900+ online customer reviews.⁹</p> <p>Maintained an A+ rating from the Better Business Bureau.¹⁰</p> <p>BBB A+ Rating</p> <p>5,346 total customers hardship plans</p> <p>Customers experiencing financial hardship or who required natural disaster-related assistance.¹¹</p> |

All information contained in this report represents data collected for FYE December 31, 2020 and as of the publish date of August 13, 2021.

1 See page 8 in report 2 See page 9 in report 3 See page 11 in report 4 See page 12 in report 5 See page 13 in report 6 See page 15 in report 7 See page 16 in report

In 2020, OppFi launched new relationships with Experian®, Steady, and BillShark, complementing an existing relationship with **SpringFour**. These mission-aligned organizations support OppFi's commitment to help customers build a better financial path through more financial resources, education and support

OppFi

2020 ANNUAL SOCIAL IMPACT REPORT

CUSTOMER SERVICE IS SOCIAL IMPACT

SpringFour’s social impact designation is reflective of its mission to work with financial institutions to improve customers’ financial health and provide millions of referrals to local nonprofit and government resources for families facing financial challenges. One way to expand thinking on ESG is to recognize how providing customers with exemplary service that acknowledges struggles they might be facing in their lives can have significant social impact. SpringFour’s annual user survey highlights the positive impact that utilizing our professional tool, S4pro, has on brand value, customer service and retention:



Beyond this, companies are recognizing that SpringFour enables them to improve customer service in a way that actively helps promote customers’ financial health. Mariner Finance focused on this aspect of its relationship with SpringFour—empowering customers— in its [2021 ESG report](#).

CUSTOMER SUPPORT



Empowering our customers to take control of their financial well-being

We've designed our digital platforms and customer service initiatives to provide borrowers with holistic financial support.

- Our **Customer Account Center** lets borrowers easily set up free and recurring monthly auto-payments, view their account balance anytime, monitor their credit health, explore loan offers, and quickly complete applications.
- Launched in March to better serve customers during the pandemic, our **Loan By Phone** service offers borrowers a safe, flexible alternative to applying for and closing a loan in a branch.*
- We give all our customers access to **MoneySKILL®**, a financial literacy program that provides a basic understanding of money-management fundamentals including income, expenses, saving and investing, credit, and insurance.
- Our customers also have access to credit scores and models, which lets them monitor their credit health on a monthly basis.
- We provide our customers with access to **SpringFour**, a free online tool that helps them locate verified and vetted food, financial, and health resources in their communities.

Our suite of offerings, combined with our friendly and efficient customer service, led us to a NPS score of 52 this year—a 6-point increase from 2019.

*From March 2020 until July 2021, loans that needed to be closed in the branch were scheduled by appointment only.



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KEEPING PEOPLE IN THEIR HOMES IS SOCIAL IMPACT

According to a [recent survey](#) by the Financial Health Network,

- ▷ 32% of all respondents said they had trouble paying their rent or mortgage
- ▷ 47% of respondents could not pay all their bills on time at least once in the past 12 months

The Network’s study shows that these financial challenges have a significant impact on individuals’ performance and productivity at work, highlighting the domino effect that one financial stressor can have on multiple areas of a families’ life. At SpringFour, we know very well how one missed bill can lead to a cascade of other financial challenges, especially if a family is having trouble making a large payment like a housing payment. On the flip side, having access to resources that can help families pay for other basic necessities like food, utility costs, and health care, can make it that much easier for a family to stay current on their rent or mortgage.

Every day, we see the impact of the fact that families often forgo other basic necessities in order to pay their mortgage and not lose their homes. Thus, mortgage assistance is crucial for families who own their homes and are experiencing financial hardship in any environment. This assistance is especially needed in times of widespread financial disruption. The provision of services that can help keep homeowners afloat is a crucial aspect of social impact that is increasingly being recognized by financial institutions. To this end, M&T Bank included SpringFour in its [2021 ESG report](#) as an integral part of its programs to keep families in their homes:



M&T BANK 2021 ESG REPORT

“In 2021, we wanted to expand what we saw as the increasing service needs of our customers. To do so, we worked with the social impact fintech **SpringFour** to assist customers in finding local resources such as utility savings, food savings, financial counseling and home repairs.”

Supporting first-time homeowners through partnership

SpringFour is a fintech company that provides financial counseling and assistance to help families stay in their homes. M&T Bank partnered with SpringFour to provide these services to its customers.

MISSION IS SOCIAL IMPACT

Finally, organizations that have social missions are inherently engaged in social impact. Recognizing the value of being a positive force in the community is a cultural value that shapes every aspect of what a corporation is trying to do; it is weaved into its business decisions by design. When corporations with social missions partner with other companies that are in alignment with their mission, the social impact is significant. SpringFour's longtime partner, Oportun, recognized this in its [2021 Corporate Responsibility & Sustainability Report](#). Oportun highlighted the many areas of need that SpringFour helped its customers with through targeted referrals, and specifically noted that we all are better able to provide financial health impact when we work together:





Expanding financial health with Digit

Our entry into digital banking is expanding our mission even more as we provide new financial services to our hardworking members:

| | |
|--|--|
|  Automated saving |  Digital banking |
| <p>A.I.-designed to understand a member's cash flow and help them effortlessly save toward their goals</p> | <p>Intelligent and automated budgeting across bills, savings, and spending</p> |
|  Long-term investing |  Retirement planning |
| <p>A.I. for portfolio allocation in low-cost investments based on risk tolerance</p> | <p>Automated retirement planning through tax-advantaged IRAs</p> |

Mission-driven partners

We are not on our own in building our members' path to financial wellness and well-being. Our partners help us bring free financial education, planning, and job assistance to our local communities.

SpringFour

Since 2016, we have partnered with SpringFour to bring more than 20,000 resources from local nonprofits and government financial agencies to our members nationwide. These services provide support for more than 30 unique economic situations our members and communities may face, such as childcare, disaster relief, legal assistance, healthcare, and employment.

At Oportun, we understand that offering these programs is just as important as being aware of them. We promote their services in our client-first interactions and are proud to share SpringFour's solutions through our digital experiences.



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~48,000

of SpringFour financial resources engaged by Oportun members

Top 4 areas of engagement

- 54%** employment services
- 12%** food savings
- 9%** COVID-19 assistance
- 9%** healthcare

We know that there are a variety of things that financial services companies are already doing that show a commitment to the “S” in ESG. The value of a partnership with SpringFour is that, by working together, we can amplify the impact that we have in our communities through a concerted effort to center families’ financial health, which in turn has a positive effect on our communities as a whole. SpringFour is proud of its track record in working with clients to highlight ESG and social impact—it is the right thing to do, and it is the future.

See an overview of SpringFour’s ESG impact in partnership with financial institutions [here](#).

“Financial services’ increased focus on ESG is extremely positive, and we are proud that so many are turning to SpringFour to ramp up those efforts and achieve measurable impact. Through our suite of financial health technology solutions, organizations are prioritizing their customers’ financial health, helping households regain their footing and make their payments. This benefits customers, their institutions, and our communities at large.”

–Rochelle Gorey, CEO, SpringFour

“We are driven to support every facet of need in the markets we serve, delivering the capabilities of a larger bank with the care and empathy of a local institution. SpringFour is a like-minded partner. Their platform allows us to offer customers an easy way to locate local resources to address financial challenges and help them achieve financial wellness, so we can make a difference in their lives.”

–Richard Gold, CEO, M&T Bank

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