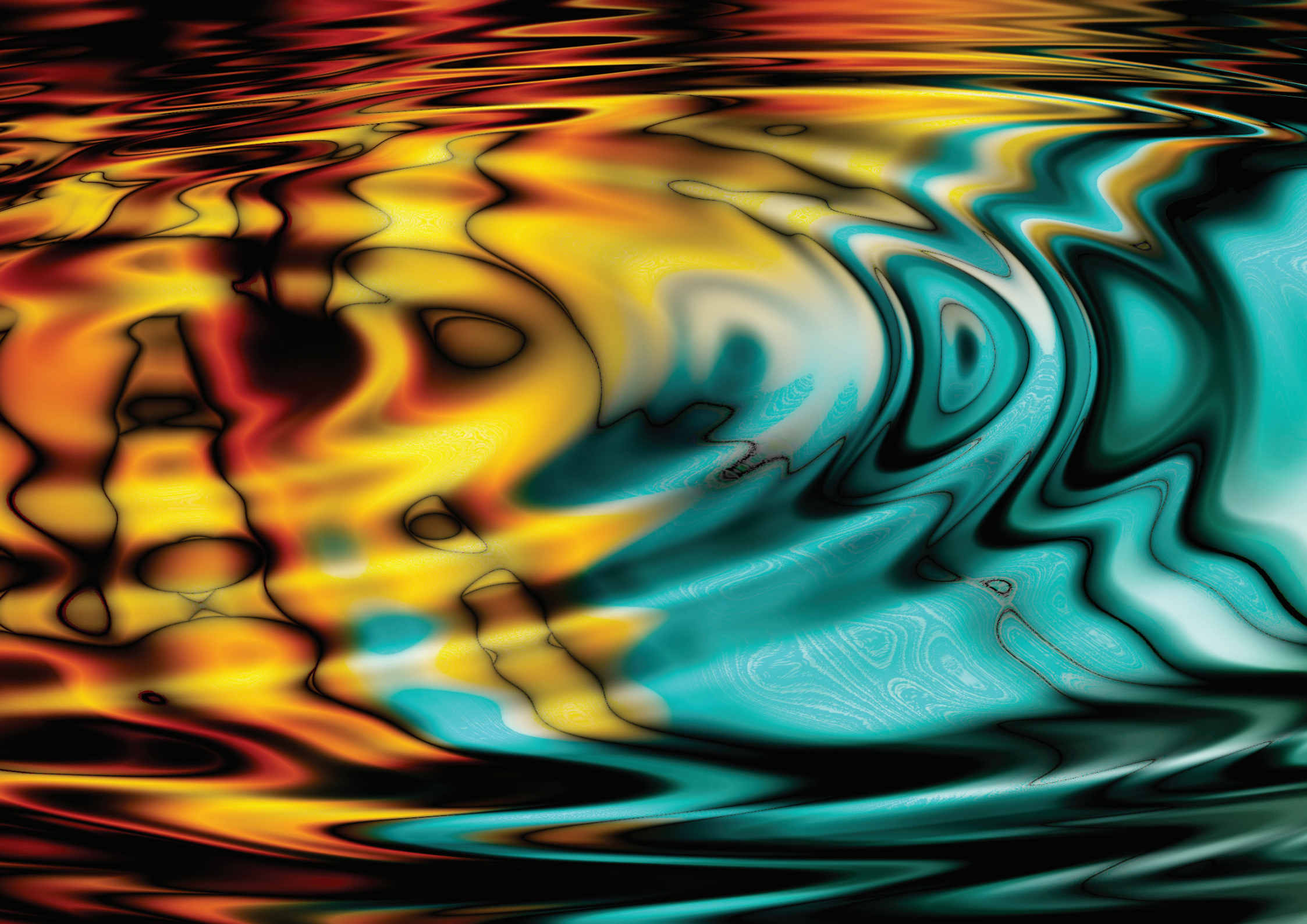
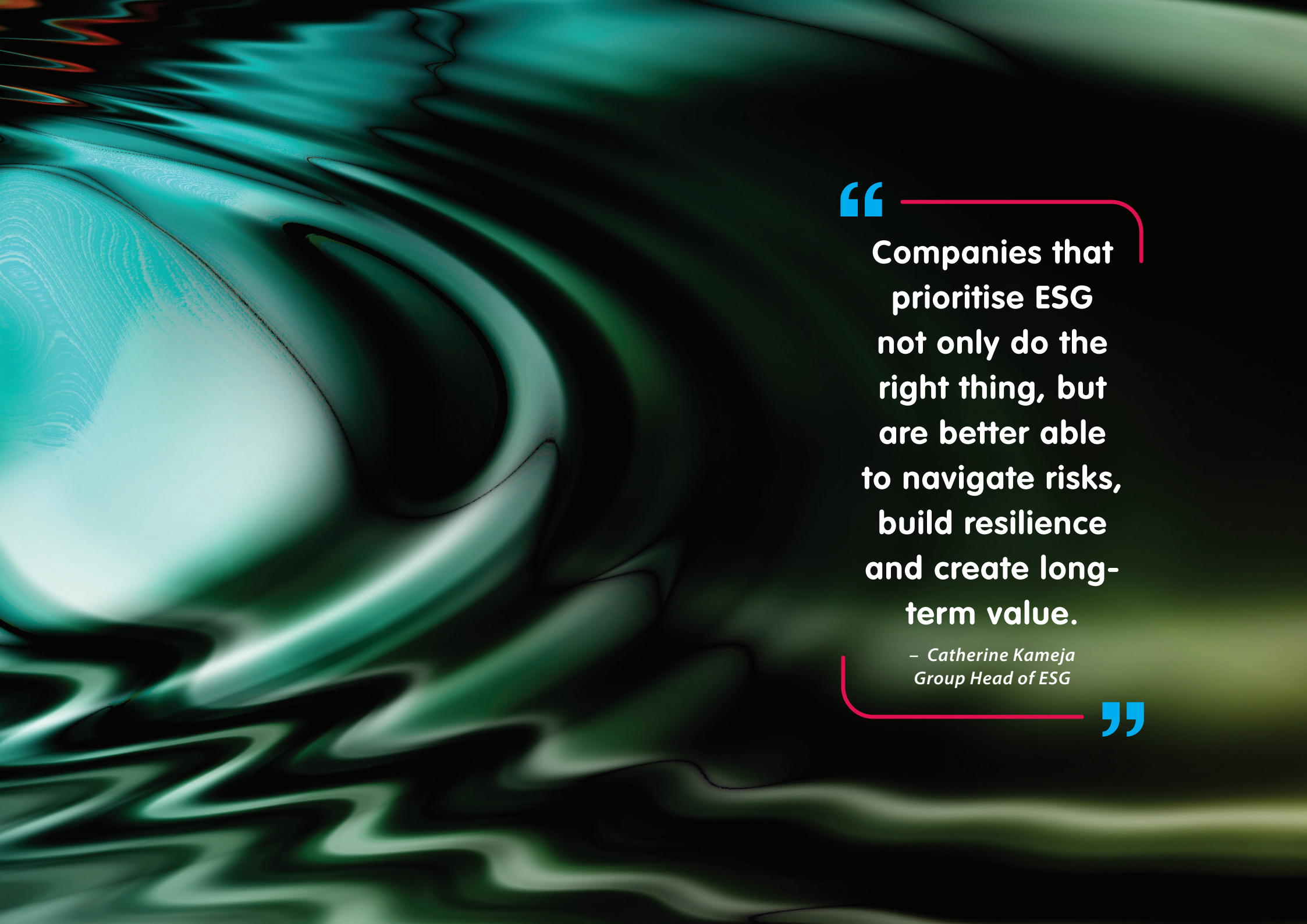


ESG report 2023







“

**Companies that
prioritise ESG
not only do the
right thing, but
are better able
to navigate risks,
build resilience
and create long-
term value.**

*– Catherine Kameja
Group Head of ESG*

”



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Bayport in 2023

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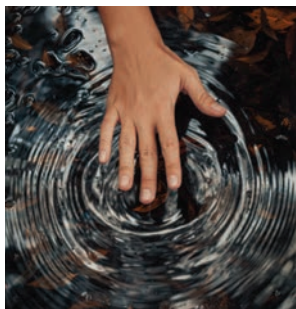
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01

Bayport in 2023

Our Business

In 2023, we delivered meaningful benefits to our stakeholders, made significant advances in our social performance and advanced key initiatives to support our strategic objectives.

These include the promotion of financial inclusion, independence and empowerment to improve lives and contribute to sustainable development.



USD169 028 955

REVENUE

(2022: USD198 043 788
2021: USD194 717 483) †



USD13 988 674

**IMPAIRMENT OF
FINANCIAL ASSETS**

(2022: USD16 198 931
2021: USD18 565 577)



USD257 516 896

**ADJUSTED
EBITDA**

(2022: USD253 065 684
2021: USD223 766 580) †



152%

**ADJUSTED EBITDA
MARGIN**

(2022: 128%
2021: 115%)

Our Customers



69.6%

**DIGITALLY ORIGINATED
LOANS**

(2022: 68.5%
2021: 55.1%)



596 793

**INDIVIDUAL
CUSTOMERS**

(2022: 619 097)



31%

**FEMALE CUSTOMERS
ON LOAN BOOK**

(2022: 31%)



30%

**LOANS ORIGINATED
BY WOMEN**

Our People



2 896

EMPLOYEES

(2022: 2 916
2021: 2 872)



57%

**FEMALE
EMPLOYEES**

(2022: 56%)



29%

**FEMALE BOARD
MEMBERS**

(2022: 29%)



37%

**FEMALES IN EXECUTIVE
MANAGEMENT**

(2022: 38%)

† Consolidated group information, excluding Bayport South Africa



USD32 057 738

**OPERATING
PROFIT**

(2022: USD54 034 386
2021: USD44 849 993) [†]



0.42%

ROIC

(2022: 1.49%
2021: 1.86%) [†]



USD23 669 094

**TAXES/PAYMENTS
TO GOVERNMENT**

(2022: USD32 268 008
2021: USD26 155 807) [†]



USD47 332 805

**PAYMENTS TO SUPPLIER
ORGANISATIONS AND
INDIVIDUALS: TOTAL**

(2022: USD47 034 933) [†]



USD29 109 705

**PAYMENTS TO SUPPLIER
ORGANISATIONS AND
INDIVIDUALS: LOCAL**

(2022: USD28 464 282) [†]



25 045

**NEW CUSTOMERS
(NET OUTRIGHT
SETTLEMENTS)**



35

**NET PROMOTER
SCORE**

(2022: 26) [†]



100%

**CLIENT PROTECTION
CERTIFICATION IN
MAJORITY OWNED
SUBSIDIARIES[†]**



63

**CSI
INITIATIVES**

(2022: 41)



18 143

**BENEFICIARIES
REACHED**

(2022: 2 419)



USD129 395

**SPENT ON
CSI PROJECTS**

(2022: USD53 113
2021: USD164 780)



USD31 213 494

**PAYMENTS
TO STAFF**

(2022: USD34 995 176
2021: USD41 789 862)



24

**AVERAGE TRAINING
HOURS PER EMPLOYEE**

(2022: 15)



USD237 399

**SPENT ON LEARNING
AND DEVELOPMENT**

(2022: USD226 916
2021: USD234 088) [†]



3 786

**NUMBER OF
AGENTS**

(2022: 4 663
2021: 3 753)



51%

**NUMBER OF
FEMALE AGENTS**

(2022: 49%)



USD30 504 337

**PAYMENTS
TO AGENTS**

(2022: USD30 304 049
2021: USD31 931 262) [†]

02

About our ESG report

This document is Bayport Management Ltd's second annual environment, social and governance (ESG) report and provides non-financial performance information for the reporting period 01 January to 31 December 2023.

Over the past two years, Bayport Management Ltd (BML) and its subsidiaries have recognised the strategic importance of ESG issues and aligned them with its business priorities. We approach environmental stewardship, social responsibility and governance integrity with a focus on both risk management and seizing opportunities.

Bayport is committed to fostering financial inclusion and practicing responsible lending that positively impacts communities and the environment in which we operate. This report unpacks our sustainability commitment by highlighting the ripple effect of financial inclusion and responsible lending.

Scope

Our ESG report covers all BML entities, namely our primary operating countries (Botswana, Colombia, Ghana, Mexico, Mozambique, Tanzania, Uganda and Zambia), as well as Bayport South Africa, which is an associate company in which we hold a minority ownership interest. For detailed information, refer to the 'Where we operate' section on page 10.

United Nations Sustainable Development Goals (UN SDGs)

The UN SDGs are a pivotal driver of sustainable development worldwide. Financial institutions such as Bayport play a crucial role in advancing these goals by promoting financial inclusion that reduces poverty, fosters economic growth and makes the building of sustainable communities possible.



Our activities and initiatives are designed to contribute directly to at least 10 of the 17 SDGs:



SDG 1
No poverty



SDG 3
Good health and wellbeing



SDG 4
Quality education



SDG 5
Gender equality



SDG 8
Decent work and economic growth



SDG 9
Industry, innovation and infrastructure



SDG 10
Reduced inequalities



SDG 12
Responsible production and consumption



SDG 16
Peace, justice and strong institutions



SDG 17
Partnerships for the goals

Reporting framework

This report marks the first time that we present our performance information with reference to the Global Reporting Initiative (GRI) standards. The GRI content index on page 86, in the data supplement, indicates which GRI standards performance indicators have been reported fully or partially and in which sections of this report. Where information is currently unavailable, we are establishing processes to ensure future reporting fully meets the GRI standards.

The information in this report facilitates disclosure and provides accountability to our key stakeholders, partners and sources of capital.

We applied the principle of materiality in deciding on information to include in the report. Hence the content presented on these pages focuses on issues, challenges and opportunities that materially impact Bayport's ability to be a sustainable business that consistently delivers value to all our stakeholders, and our progress in managing them.

Transparent reporting on progress and managing our material issues are integral parts of our commitment to sustainable business. Through our reporting, we aim to provide

comprehensive and comparable disclosures for a broad range of stakeholders.

The content of this report was reviewed by all country CEOs, group department heads and BML's executive management team. The BML Board Chairperson gave the final approval for publication.

Queries regarding the report can be addressed to bayportmanagement@bayportfinance.com.

Our report profile

In this report, "BML", "Bayport", "the company", "the group", "we", "us", and "our" refer to Bayport Management Ltd, its subsidiaries, and associated company.

Restatement of information

In the 2022 BML ESG Report, the gender diversity (% female) for executive management in Ghana was incorrectly stated. On pages 21 and 58, it was reported as 67%. The correct figure is 33%, with the executive team comprising two males and one female.

External assurance

While this report has been prepared with reference to the GRI standards, it has not undergone external assurance.



“ We approach environmental stewardship, social responsibility and governance integrity with a focus on both risk management and seizing opportunities. ”

03

Message from the Chairperson

At Bayport, we recognise the critical role a thriving economy plays in the wellbeing of our stakeholders. Our ESG strategy is centred on fostering innovation, promoting fair labour practices and creating economic opportunities that contribute to the growth and stability of the communities we serve. We actively support entrepreneurship, small business development and microfinance initiatives to stimulate local economies. By doing so, we aim to create a ripple effect of responsible lending and financial inclusion, ultimately leading to sustainable economic growth and improved livelihoods for all.

In line with our commitment, Bayport strives to enhance effective environmental and social management practices in all its activities. This includes implementing robust risk governance mechanisms starting at the highest level, with the board and senior executives. Effective risk governance advances understanding, knowledge diffusion and genuine accountability throughout the organisation that, in turn, build resilience and ensure responsible practices at all levels.

This, our second ESG report, shares much detail on how Bayport brings these ambitions and objectives to life. I do, however, want to highlight an achievement that pulls together and personifies the letter and spirit of ESG, and that is the fact that all our subsidiaries achieved client protection certification during the past financial year.

The microfinance and unsecured lending industry has worked hard in recent years to set standards and put practices in place that will improve its reputation and impact by protecting its customers. Bayport has been an early adopter of this drive, with our first operation – Botswana – receiving international certification in 2015, almost a decade ago.

Over the past two years, the group has invested time, effort and resources to having professional gap analyses done in all

our subsidiaries, and changing practices, policies and systems where necessary. The resultant endorsement of our business as one that deeply cares about the dignity and rights of our customers, is a great source of pride for me as chairman of the board.

Client protection involves the entire business, from customer-facing staff members through to back-office systems and governance principles. Moreover, it entails an attitude and a mindset that values customers beyond the transactional. While official certification might be relatively new, this mindset has been a Bayport hallmark from the start.

Client protection certification matters because it entrenches respect for the people who entrust us with an aspect of their financial wellbeing. In addition, measures such as plain-language paperwork, effective complaints resolution mechanisms and responsible marketing, empower consumers to make sound credit decisions. Finally, in demonstrating our commitment to transparency, accountability and customer wellbeing, certification builds the trust between our business and our customers without which we cannot operate.

Viewed holistically, our client protection certification status is a powerful enabler of sustainability. It is the foundation of a reputation that attracts customers and investors, and a critical yardstick for managing staff performance. Bayport's achievements in this regard are commendable and deeply gratifying. I invite you to spend time with Bayport's ESG report, confident that you will find it informative and inspirational in equal measure.

In conclusion, I express my sincere gratitude to our shareholders, employees, customers and other stakeholders for their unwavering support for our pursuit of sustainability and responsible business practices. A sustainable world is a responsibility and objective we all can and must share.



Our client protection certification status is a powerful enabler of sustainability. It is the foundation of a reputation that attracts customers and investors, and a critical yardstick for managing staff performance.

– Nicholas Haag
Chairperson,
Bayport Management Ltd

04

Message from the Group CEO

Building a business is hard work; ensuring its sustainability arguably even more so. Too much of a maintenance mindset stifles growth and hampers the pursuit of fresh opportunities, while too little stands in the way of the time, effort and attention to detail needed to develop the systems and culture that enable sustainable growth.

Bayport is no longer an entrepreneurial startup. In addition to our business maturing, the sector of the financial services industry in which we play is on an improvement path that demands much of us.

We have, therefore, arrived at a juncture where consolidation and growth must be carefully balanced to ensure sustainability. In this juggling act, the group's ESG strategy serves as a guiding light – a point that is well made on the pages of our 2023 ESG report.

While social and environmental matters are pivotal to the group's continued success, sound governance structures are the non-negotiable for doing business in the financial services industry. Over the past year, Bayport has significantly improved its governance structures, while remaining mindful of its corporate values of simplicity and relevance. Only when governance processes are simple enough to follow as well as intuitively relevant are they effective, and we remind ourselves of these principles on an ongoing basis.

Relevance is particularly important in the Bayport context, given that we have subsidiaries in eight countries and an

associate business in a ninth. The processes and structures developed at corporate level must resonate in-country and tie in seamlessly with local legislation, regulations and cultural contexts. In this regard, the value the subsidiary boards add cannot be overestimated. These executive and non-executive directors furthermore ensure we follow a dynamic process in shaping the future of the entire business by influencing group-level thinking and execution.

A business that functions well and is prepared for current and future challenges and opportunities provides the structure within which employees can thrive and customers be served. These three areas – our business, our people, our customers – are therefore the pillars on which Bayport's ESG strategy stands.

It gives me great satisfaction to present this ESG report to our investors, regulators, customers, staff members and other stakeholders. Bayport exists through you and for you; our sustainability has a bearing on your sustainability and vice versa. Therefore, as much as this report gives an account of our ESG activities over the past year, it is also a call to action to join forces with us in the global sustainability project.

Thank you to every Bayporteer who contributes so wholeheartedly to the success of our business, to every investor who trusts us with the outcomes they want to achieve, and to every customer who decides to walk a path towards financial wellness with us. We promise to keep doing better, every day and in every way, to make sustainability a reality.



“The processes and structures developed at corporate level must resonate in-country and tie in seamlessly with local legislation, regulations and cultural contexts ...the value the subsidiary boards add cannot be overestimated.”

– Chris Newson
Bayport Group CEO



05 Company overview



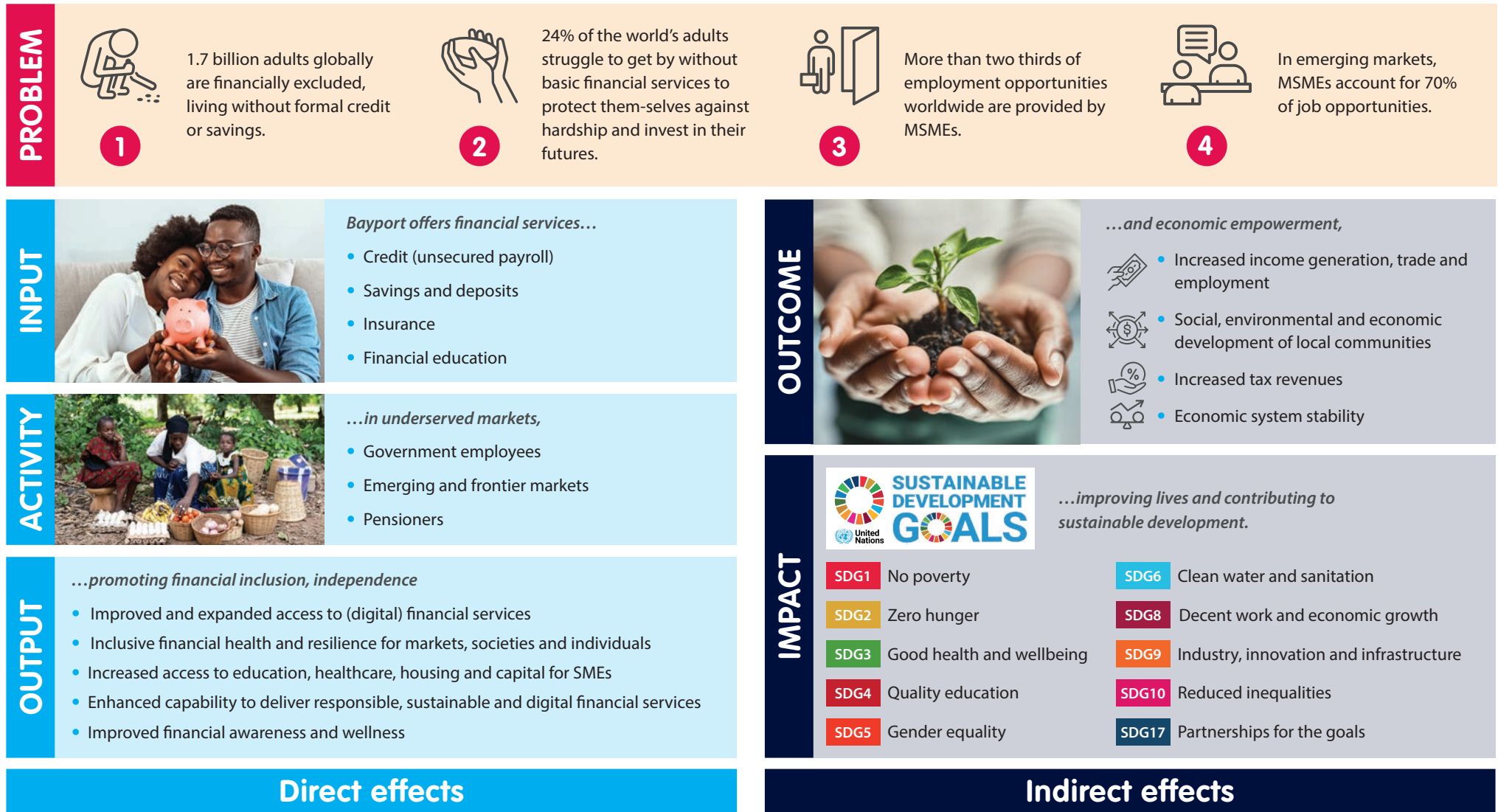
Bayport was established in 2001 with a mission to create a tangible impact on the lives of its customers by providing a financial-services platform for people to transform their lives and achieve their full potential.

We provide a range of financial services in emerging and frontier markets where access to such services is often restricted for a significant segment of the population. By doing so, Bayport helps to enhance the financial self-reliance and economic empowerment of individuals and families across our operating regions.

By contributing to the advancement of the people and communities it serves, Bayport facilitates the overall development of national economies. This outcome is exemplified in our theory of change.

Bayport International Group Support office in Johannesburg, South Africa.

Theory of change



Who we are



WHY WE EXIST: Our mission

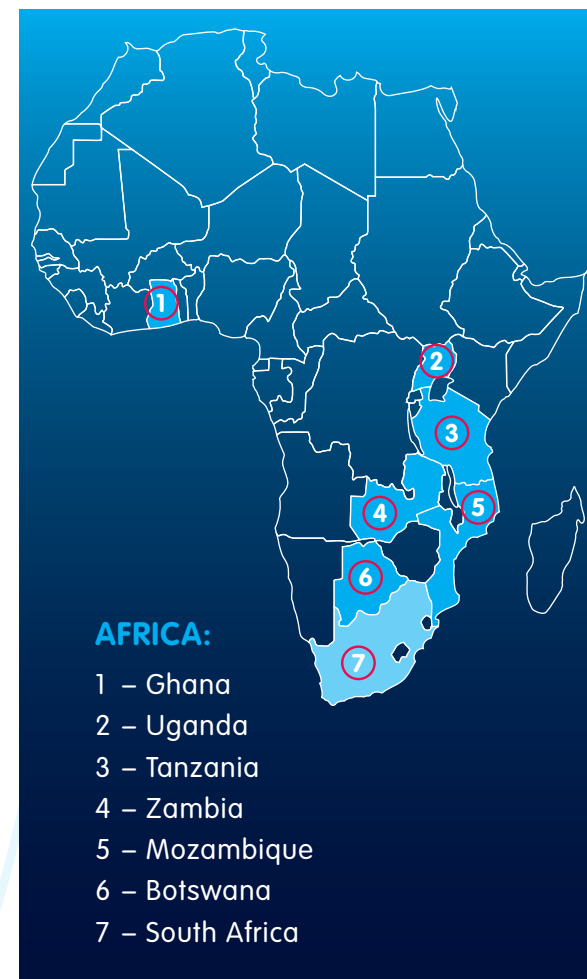
Bayport's mission is to provide financial solutions suited to the needs of an inclusive and broad customer base; embracing technology, product leadership and innovation and so becoming one of the leading developing market financial solutions providers.



WHAT WE ASPIRE TO: Our vision

Our vision is to be the most valued financial solutions brand in our chosen markets by providing a broad range of relevant financial solutions tailored to the needs of our customers.

Where we operate



**South Africa is an associate company, not a wholly-owned operation.*

Our Values



Empowerment



Responsibility



Innovation



Simplicity



Partnership



Relevance

What we do:



Payroll lending:

Also known as at-source deduction, payroll lending is the primary financial services product we offer in all our markets. These unsecured personal loans are granted to employees with the agreement and cooperation of their employers and are collected through payroll deduction.

This product design dramatically reduces the complexity to originate and the risk inherent in traditional retail lending in low-data markets. It also provides a low-risk entry point for individuals accessing the credit market for the first time. Moreover, the stringent affordability limits set by agreements with employers help to prevent over-indebtedness.



Insurance solutions:

Every Bayport loan is sold with compulsory credit life insurance that covers the outstanding debt on a customer's loan under specific circumstances. In some of our markets Bayport also offers education protection plans, hospital and funeral cover and personal accident cover, as well as support with payments during temporary disability.



Savings and deposits:

In selected markets, Bayport offers local currency term deposits and local currency demand deposits.

Our stakeholders

“ All Bayport operations have adopted policies on how to continuously engage with stakeholders, including regulators, customers and civil society organisations.

Read more on page 42.

Our primary stakeholders are:

SHAREHOLDERS

OPERATING COUNTRIES

EMPLOYEES

SALES AGENTS

CUSTOMERS

EMPLOYERS

GOVERNMENT

REGULATORS

DEVELOPMENT FUNDERS

COMMUNITIES

See pages 42 and 43 for more information on our approach to stakeholder engagement and principles.

Membership associations

- Mexican Association of Payroll Companies (AMDEN)
- Association of Tanzania Employers
- Botswana Micro-Finance Association
- Colombia FinTech
- Ghana Association of all Savings and Loans Companies
- Interbank Society of Mozambique
- Lusaka Chamber of Commerce
- Mozambican Association of Banks (AMB)
- Large Non-Banking Lenders Association, South Africa
- Payment Association of South Africa



Bayport Colombia actively participated in a number of industry events, including the Finance in Common Summit. These events facilitated productive meetings with potential funders and vendors, enhancing Bayport's business opportunities.

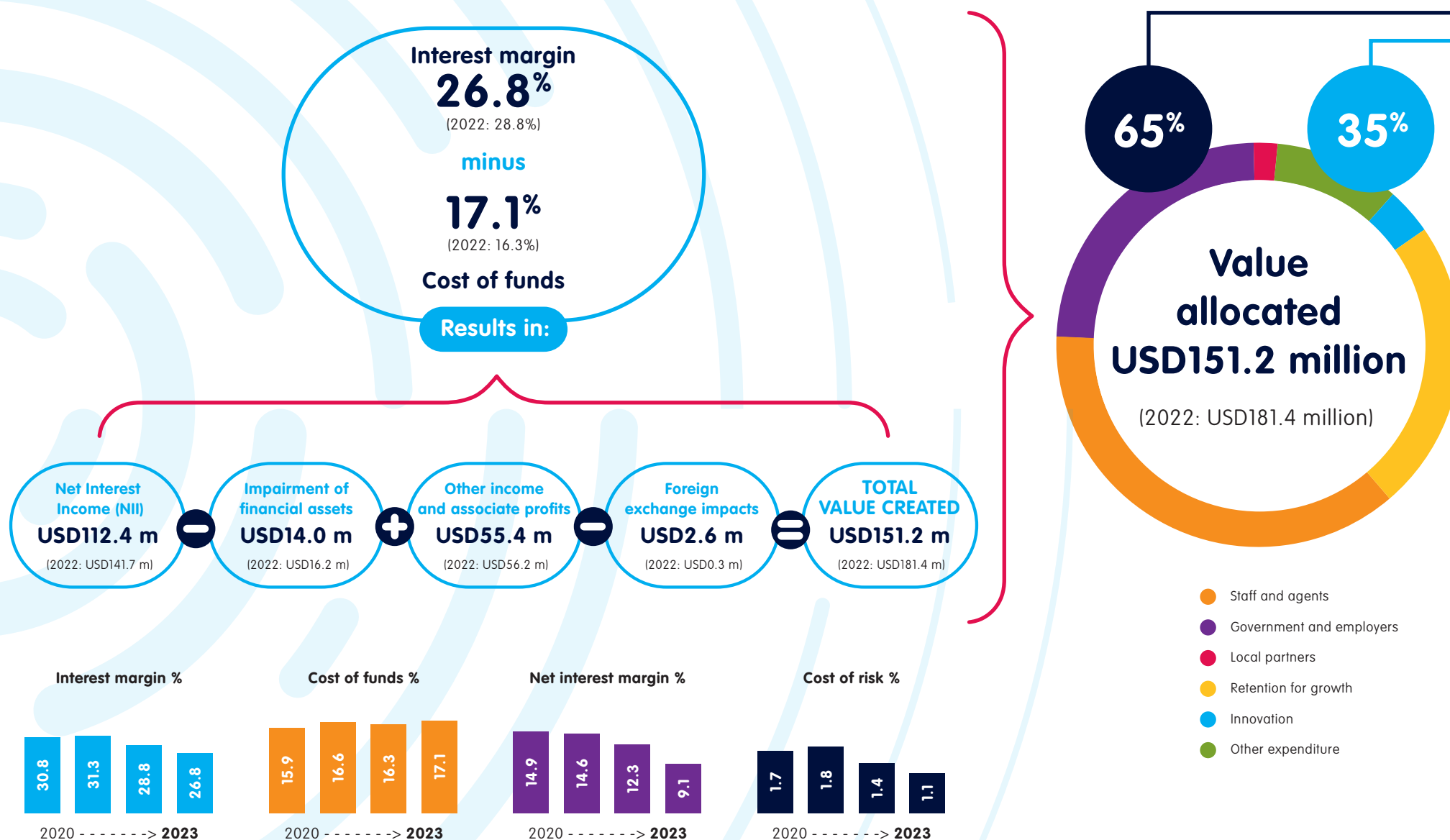
06

Creating value for our stakeholders



Bayport Tanzania planted 500 trees in Temeke Municipality with the collaborative efforts of 21 Bayporteer volunteers, local government officials and Dovya Primary School, creating lasting value for the community.

How we calculate the value we create



How we allocate the value we create

Invested into improving lives



**Staff
and agents**

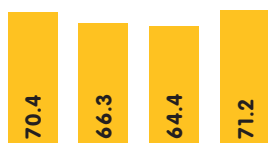
40.6%

USD61.3 million

2023



Cost to income %



2020 -----> 2023



**Government
and employers**
(taxes and collection fees)

22.8%

USD34.4 million

2023



Attributable ROAA %



2020 -----> 2023



**Local
partners**

1.6%

USD2.5 million

2023



Attributable ROAE %



2020 -----> 2023

Invested into growing Bayport



**Investment
in present**

Spending that enables the Bayport business to meet short- and medium-term business targets and ESG initiatives. This includes the recruitment, retention and development of staff, continued improvement of systems and channels, as well as ongoing brand-building, marketing and client protection initiatives.

26.9%

USD40.7 million

2023



2020 -----> 2023



**Investment
in innovation**

Spending that enables the design and implementation of new products and delivery channels to accelerate Bayport's digital journey and improve the customer experience.

4.5%

USD6.8 million

2023



2020 -----> 2023



**Retention
for growth**

Income that is intended to fund organic growth in existing markets.

3.7%

USD5.5 million

2023



2020 -----> 2023

07

ESG governance

Our commitment to and vision for ESG

“ ESG is integrated into our business at every level... In 2023, we introduced ESG scorecards for executive leadership in our subsidiaries, which were then cascaded to senior management. ”

Bayport is committed to building sustainable, equitable and diverse communities through innovative business practices and exemplary ESG performance.

This commitment informs every aspect of our business, from designing and building new products to managing our operations, collaborating with stakeholders and reporting progress.

Our ESG efforts are guided by five principles:

1. **Balanced** – we balance economic success with environmental responsibility and the social upliftment of people and communities.
2. **Socially aware** – we identify and address the environmental and social impacts of our business activities.
3. **Sustainable** – we prioritise business that enables financial inclusion and sustainable growth.
4. **Globally relevant** – we endeavour to adhere to the letter and spirit of internationally recognised ESG principles and standards.
5. **Governed** – we ground our sustainability strategy in robust governance policies and leadership KPIs.



Corporate social responsibility is a big topic in Bayport. But the **S** in **ESG** is also a personal responsibility. It means being kind and empathetic towards others, practicing inclusivity and respect, and standing up for what's right. This week, bring the **S** in **ESG** to life in all you do at work and at home.

Complete the "What is ESG?" module – live on the Bayport Academy until **3 November 2023**.



Our ESG learning modules are supported by informative communications with clear calls to action.

ESG policy

Recognising the importance of international risk management frameworks for financial institutions, Bayport has implemented an ESG policy aligned with internationally accepted ESG principles and standards.

This policy guides our efforts to promote sustainable and responsible lending practices, ensuring that we contribute positively to the communities and environments in which we operate.

ESG governance structure and composition

ESG is integrated into our business at every level. The BML board of directors bears overall responsibility for the effective implementation of the ESG policy by overseeing strategic objectives, monitoring performance and ensuring accountability for ESG-related risks and opportunities.

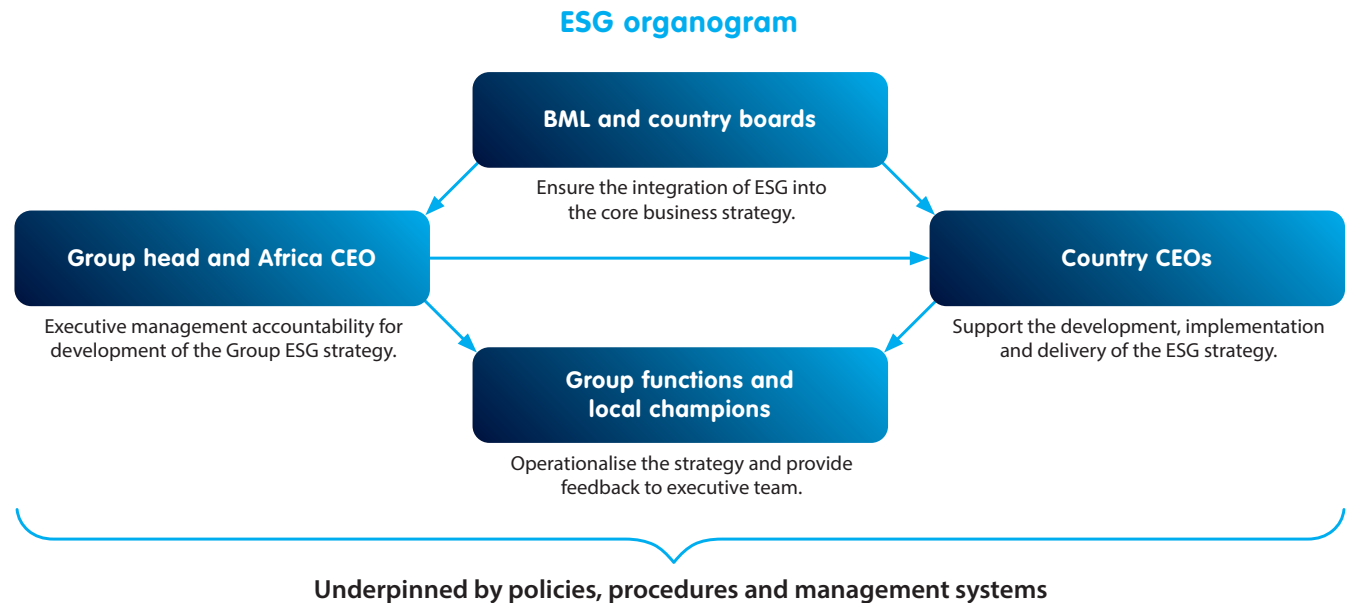
The subsidiary boards oversee strategy implementation in their respective markets, with execution linked to individual scorecards. The BML board receives regular updates from the group chief executive officer.

Robust management structures support the successful implementation of our ESG strategy. In 2023, we introduced ESG scorecards for executive leadership in our subsidiaries, which were then cascaded to senior management.

In 2024, we will further align all departments with our ESG strategy, KPIs and roadmaps to integrate ESG indicators into our operational framework.

The Africa CEO, with support from the group and country CEOs and the executive leadership team, holds the executive responsibility for Bayport's ESG performance. Our group head of ESG reports directly to the Africa CEO and collaborates with functions across the business and with the country ESG champions to support the delivery of our ESG priorities.

Sustainability is integrated into our core business functions, with group functions and opco teams alike managing our ESG impacts.



Reporting

We prioritise transparent communication regarding our environmental and social risks and impact by regularly reporting to our stakeholders and communities, explaining the actions (and the outcomes) we have taken to address identified issues.

To ensure our ESG efforts remain aligned with our business strategy, we provide quarterly updates to our group and country boards. These updates include achievements, challenges and plans. Additionally, we regularly brief the boards on emerging ESG-related issues that may impact our businesses in the future.

08 ESG strategy

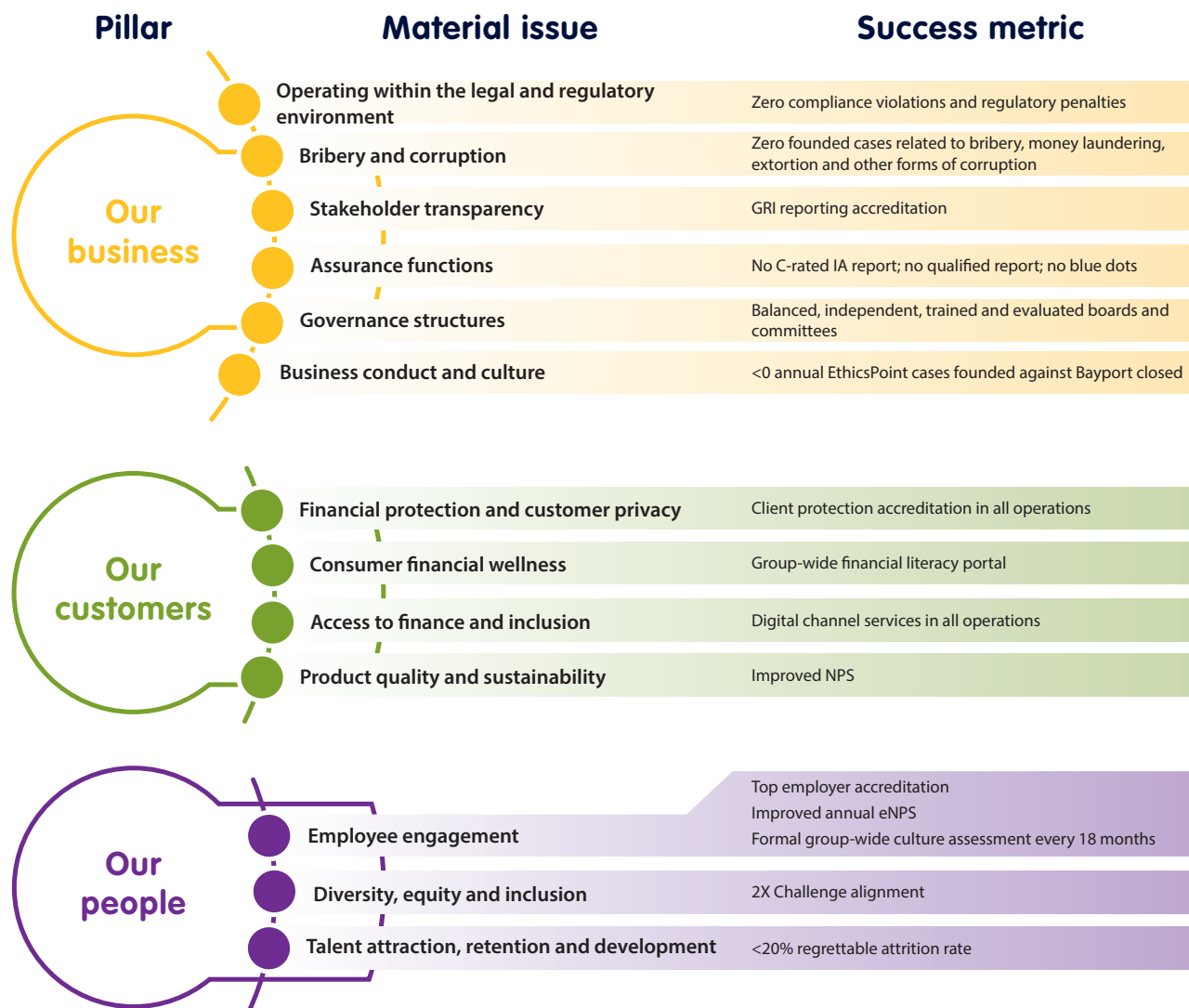
Our commitment to environmental stewardship, social responsibility and corporate governance is an important pillar of our business strategy. We believe we can maximise long-term value for our stakeholders when we deliver innovative solutions to our customers, strengthen local communities and partnerships, and enhance employees' experience, growth and opportunities. Our holistic ESG strategy includes ESG materiality assessments, stakeholder engagement, establishing and seeking to achieve targets, adherence to global compliance and voluntary reporting frameworks and initiatives.

ESG pillars and material topics

Our ESG strategy addresses the concerns of our stakeholders, while focusing on areas where we can make the biggest difference. To determine the most significant issues, we conducted a materiality assessment across all operations and group function that entailed:

- Generating a comprehensive list of ESG focus areas by referencing global best practices reflected in the GRI, the UN's SDGs, shareholder frameworks and DFI funder reporting.
- Developing a mechanism to incorporate various stakeholder priorities.
- Determining the relative materiality of each area based on current and future importance, potential impact and existing maturity within the group.

Our ESG strategic pillars are our three most important and actionable areas of influence, i.e., our business, our customers and our people. We assigned the identified material issues to each of these pillars and developed metrics to measure our success over four years (2022 to 2025).



Our impact areas: Alignment of our pillars, material issues and the UN SDGs

We are committed to generating positive social, environmental and economic impacts through our business activities.

Our strategic pillars enable us to deliver on our strategy and create sustainable value through responsible and ethical practices that contribute to the wellbeing and prosperity of the

people and places we serve. By driving financial inclusion and building local, diverse and talented teams, we are able to create long-term financial value.

Our business

Material issue	Key area of impact	Sustainable Development Goal (SDG)		How we create impact	Strategic KPIs	2025 target
Operating within the legal and regulatory environment	Regulatory compliance	16.3	Promote the rule of law and ensure equal access to justice for all.	We ensure ethical conduct and build trust with customers and stakeholders by adhering to laws and regulations. In doing so, we promote financial stability, consumer protection and long-term sustainability, positively influencing the communities we serve and fostering a secure and trustworthy financial environment.	Quarterly regulatory engagements	36/year
					Compliance violations and regulatory penalties	0
Bribery and corruption	Good governance	16.5	Substantially reduce corruption and bribery.	Our anti-bribery and corruption programmes mitigate societal impacts and promote transparency, accountability and ethical practices.	Founded cases related to bribery, money laundering, extortion and other forms of corruption	0
Governance structures		16.6	Develop effective, accountable and transparent institutions at all levels.	Through rigorous oversight, we build trust, enhance our reputation and foster investor confidence. This contributes to a responsible financial environment that ultimately promotes sustainable development within the communities we serve.	Number of C-rated audit reports	0
					% of female board members	≥30%
					% of independent board members	≥50%
					Board meeting attendance	90%
					Biennial board member training	100%
					Annual board evaluations	100%
Business conduct and culture	Ethical business conduct	10.2	Empower and promote social, economic and political inclusion for all by 2030.	We adhere to high moral standards and transparency in all operations. By maintaining honesty and integrity in our operations, we win our stakeholders' trust and strengthen our reputation.	Number of EthicsPoint cases closed as founded against Bayport	0
					Group-wide conduct training completion rate	100%
Stakeholder transparency	Transparent reporting	12.6	Encourage companies to adopt sustainable practices and reporting.	We foster trust with stakeholders and ensure accountability. Clear and honest communication enhances transparency, enables informed decision-making and reinforces our commitment to ethical practices and responsible financial management.	BML GRI reporting accreditation	Yes

Our impact areas: Alignment of our pillars, material issues and the UN SDGs

Our customers

Material issue	Key area of impact	Sustainable Development Goal (SDG)	How we create impact	Strategic KPIs	2025 target
Access to finance and inclusion	Financial inclusion	1.4 Ensure equal rights to economic resources, services, land ownership, technology and financial services, including microfinance, by 2030.	Our responsible, sustainable and digital financial services provide convenient and secure access to loan facilities in underserved communities. Our digital platforms not only boost financial accessibility but also drive economic growth by streamlining transactions, cutting costs and empowering customers with control over their finances	Digitally originated loans as a % of total issued loans	90%
		8.10 Strengthen domestic financial institutions to expand access to banking, insurance and financial services for all.			
		9.1 Develop sustainable infrastructure for economic development and human wellbeing, ensuring affordable access for all.			
		10.2 Promote social, economic and political inclusion for all.	From 2024, our subsidiaries are encouraged to offer female-centric financial products and/or services, promoting gender equality, economic empowerment and entrepreneurship. Tailored for women, these initiatives will foster financial independence and drive positive social change in the communities we serve.	% female customers on loan book	≥30%
		17.17 Encourage effective public-private partnerships to build on resourcing strategies and experience.		Annual % of loans originated by women	≥30%
Financial protection	Client protection	1.4 Ensure equal rights to economic resources, services, land ownership, technology and financial services, including microfinance, by 2030.	By upholding consumer protection principles and ensuring transparent financial services, we prioritise honesty and fairness. Through customer education, we build trust, empower individuals and promote responsible financial behaviour, contributing to the economic development and wellbeing of communities.	% of operations SMART or Cerise + SPTF Client Protection Pathway certified (minimum silver level)	100%
Customer privacy		16.10 Ensure public access to information and protect fundamental freedoms by 2030.			
Consumer financial wellness	Financial awareness and wellness	4.4 Increase the number of people with relevant skills, including technical and vocational skills, for employment and entrepreneurship.	We provide individuals with financial knowledge that includes budgeting, saving and responsible borrowing. This equips them to make the kind of informed financial decisions that foster economic stability and improve their community's overall financial health.	Group-wide financial literacy portal	100%
Product quality and sustainability	Financial inclusion and economic empowerment	1.4 Ensure equal rights to economic resources, services, land ownership, technology and financial services, including microfinance, by 2030.	We offer underserved communities tailored and sustainable services that bridge financial gaps and foster economic stability. Our services give individuals enhanced access to education, healthcare, housing and SME capital, resulting in increased incomes, reduced poverty and enhanced overall wellbeing of our customers and their families.	Improved NPS	30
		8.10 Strengthen domestic financial institutions to expand access to banking, insurance and financial services for all.			
		10.2 Promote social, economic and political inclusion for all.			
Economic contribution to society	Social, environmental and economic development of local communities	17.17 Encourage effective partnerships for sustainable development.	This promotes inclusive financial health and resilience, benefiting markets, societies and individuals.		
		4.5 Eliminate gender disparities in education by 2030, ensuring equal access for all, including vulnerable groups.	Through investments in education, healthcare, environmental initiatives and community projects, alongside support for local institutions, we encourage sustainable growth and empower individuals. Our corporate social investment initiatives strengthen social bonds, fortify economic resilience and create lasting positive impacts for local communities.	Number of CSI initiatives per year	40
		8.5 Achieve full and productive employment for all by 2030, including equal pay for equal work.			
		8.6 Reduce the proportion of youth not in employment, education or training by 2030.			
		17.17 Encourage effective public-private partnerships, building on partnership experience and strategies.		CSI spend as a % of net profit after tax (NPAT) of the previous year	1%

Our impact areas: Alignment of our pillars, material issues and the UN SDGs

Our people

Material issue	Key area of impact	Sustainable Development Goal (SDG)	How we create impact	Strategic KPIs	2025 target
Diversity, equity and inclusion	Local, diverse equal teams	5.1 End all forms of discrimination against women and girls.	We ensure equitable opportunities for all and foster a diverse and inclusive workplace. By hiring locally, we support communities and contribute to the local economy. Promoting equality ensures fair opportunities, enhancing overall team effectiveness and societal impact.	% female – total	≥40%
		5.5 Ensure women's full participation and leadership in decision-making.		% female – executive management	≥30%
		5.5.2 Increase the proportion of women in managerial positions.		% female – middle management	≥40%
		10.2 Empower and promote social, economic and political inclusion for all by 2030.		Gender pay gap	Decreasing
		16.7 Ensure responsive, inclusive decision-making at all levels.		% executive management from local community	95%
Talent attraction and retention	Talent attraction, retention and development	4.4 Increase the number of people with relevant skills for employment and entrepreneurship by 2030.	We draw in and retain experienced employees to foster stability and expertise within the company. We invest in employee development, enhancing skills and career growth, thereby creating a positive impact on both the workforce and Bayport's overall performance.	Total regrettable attrition	<20%
		8.3 Promote development policies that support job creation, entrepreneurship and innovation.		Avg. learning hours per employee	≥20
		8.5 Achieve full and productive employment for all by 2030, with equal pay for equal work.			
Employee engagement	Employee welfare and empowerment	3.4 Reduce premature mortality from non-communicable diseases by one third by 2030, promote mental health and wellbeing.	We cultivate a positive workplace culture where employees feel valued, engaged and supported. The aim is to enhance employee satisfaction and morale, ultimately resulting in a motivated and dedicated workforce that drives the company's success.	Number of open townhalls	40/year
		8.7 Eradicate forced labour, end modern slavery and human trafficking, eliminate worst forms of child labour by 2025.		eNPS	≥25
		8.8 Protect labour rights, ensure safe working environments for all, including migrant workers and women in precarious employment.		eNPS participation	90%
				Group-wide culture assessment every 18 months	100%
				Top employer accreditation (across operations)	75%

Opco ESG KPIs

To ensure we stay committed to delivering sustainable growth and value to all stakeholders, we have set ambitious performance targets through various KPIs that all operations track and report on a quarterly and annual basis.

Drawing on what we learned in the first year of implementing our ESG strategy (FY2022), we reviewed and refined certain areas of our ESG KPI dashboard and roadmap at the beginning of 2023 and again in 2024.

With regards to the country KPI dashboards, we:

1. Now consider outright settlements when assessing the growth of our loan book with new customers. The overall aim is to determine net growth.
2. Aligned our gender diversity targets with the 2X Challenge, a global initiative that promotes women's economic empowerment, quality employment, access to leadership opportunities and increased access to financial products and services.
3. Started tracking gender diversity at middle management level.
4. Replaced volunteerism (average hours per employee) with the number of implemented CSI initiatives.

The table alongside summarises what we achieved in 2023 and gives an overview of our objectives and targets.

Table key:

Significantly achieved Achieved Not achieved No data

ESG Metrics	Target	Botswana	Ghana	Mozambique	South Africa	Tanzania	Uganda	Zambia	Colombia	Mexico	BML + BIGS	Group
Independent NPS score	Must be positive and meet or exceed previous score	50	12	43	N/A	52	-6	65	N/A	N/A	N/A	35
Voluntary attrition (QoQ)												
• Executive management	0 (number)	0	0	0	1	0	0	0	0	0	0	1
• Middle management	<10%	0%	2%	1%	3%	3%	0%	0%	2%	5%	2%	2%
• General staff	<15%	2.3%	3%	3%	4%	6%	1%	2%	6%	7.2%	6%	4%
Gender diversity (% female) – total (permanent + contracted)	≥40%	65%	42%	40%	62%	49%	40%	46%	69%	63%	43%	57%
Gender diversity (% female) – executive management	≥30%	43%	33%	0%	14%	50%	60%	67%	42%	33%	30%	37%
Gender diversity (% female) – middle management	≥40%	71%	17%	33%	47%	38%	67%	55%	54%	50%	46%	44%
Gender diversity (% female) – board	≥30%	33%	57%	22%	14%	50%	40%	56%	29%	11%	8%	29%
Annual number of new customers (net outright settlements)	Growth	5 535	10 719	-6 014	10 068	292	-465	649	3 766	495	N/A	25 045
Employee engagement (number of townhalls open to all staff)	4 (1/quarter)	9	7	4	2	11	14	5	4	5	2	63
Employer engagement (number of executive engagements)	Quarterly	32	36	39	-	101	57	21	9	180	N/A	475
Regulatory engagement (number)	Biannual	6	21	9	22	4	13	4	7	12	N/A	98
Staff training (average hours per employee)	1hr/quarter	14.4	2.4	4.4	3.1	10.0	1.2	9.7	6.3	4.5	4.1	6
CSI – number of initiatives (annual)	4 annually (1/quarter)	6	7	8	6	6	6	13	5	4	2	63
Funder engagement	Quarterly	22	24	20	36	224	15	39	271	153	181	985
% of women on loan book	Growth	46%	23%	27%	37%	26%	20%	39%	25%	40%	N/A	31%
% of loans originated by women (annual)	Growth	44%	22%	27%	28%	25%	22%	37%	27%	39%	N/A	30%
Gender diversity (% female) – non-payroll agents	≥30%	67%	34%	36%	73%	40%	49%	N/A	64%	61%	N/A	53%

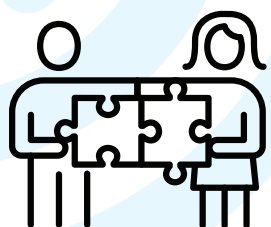


Botswana Bayporters celebrated their diversity on Culture Day with a competition that enhanced camaraderie and cultural understanding. The Call Centre team won a lunch voucher for their exceptional cultural presentation.

09

Our business

“
Our dedication to ethics is at the heart of our business model and guides all the ways in which we generate sustainable value for our stakeholders.
”



38%

YoY INCREASE
IN FUNDER
ENGAGEMENTS

We uphold the highest standards in our business operations by constantly enhancing our governance, compliance and ethical practices.

Our dedication to ethics is at the heart of our business model and guides all the ways in which we generate sustainable value for our stakeholders.

2023 highlights

- 38% YoY increase in funder engagement as we actively explored new funding opportunities and renewed existing facilities.
- In April, Bayport Ghana, in partnership with the Ghana Stock Exchange, successfully closed a GHS50-million two-year senior unsecured floating rate notes issuance.
- ESG KPIs were included in CEO KPIs.
- Bayport Ghana celebrated its 20th anniversary.
- Bayport Mozambique marked its 11th anniversary.
- All our subsidiaries have amended their loan terms and conditions to include ESG covenants and requirements.
- 100% of subsidiary boards have approved travel policies that embed ESG elements.



Francis Wood, chairman of the Bayport Savings and Loans board of directors, rings the bell to signify the listing of the GHS50-million two-year senior floating rate notes issuance on the Ghana Stock Exchange (GSE).

Material topics

Material issue	Key area of impact	Strategic KPIs	2022 Results	2023 Results	2025 Target
Operating within the legal & regulatory environment	Regulatory compliance	Quarterly regulatory engagement	98	98	36/year
		Zero compliance violations and regulatory penalties.	1	1	0
Bribery and corruption	Good governance	Zero founded cases related to bribery, money laundering, extortion and other forms of corruption	2	0	0
Governance structures		Number of C-rated audit reports	1	0	0
		% female board members	29%	29%	≥30%
		% independent board members	23%	26%	≥50%
		Board meeting attendance	93%	90%	90%
		Biennial board member training	-	10%	100%
		Annual board evaluations	-	100%	100%
		Board member evaluation participation rate	-	90%	80%
Business conduct and culture	Ethical business conduct	Number of EthicsPoint cases closed as founded against Bayport	3	4	0
		Group-wide conduct training completion rate	-	-	100%
Stakeholder transparency	Transparent reporting	BML GRI reporting accreditation	-	-	Yes

Governance

Bayport's mission is to provide affordable financial solutions to segments of the population that do not have access to traditional banking services.

Underpinning this mission is a commitment to responsible financial inclusion and protection of human rights. We recognise that our services could have far-reaching financial consequences for our customers and hence take our role in managing these risks very seriously.

Bayport's governance structure supports diversity and gender equality and ensures that the Group practices good corporate governance, acts ethically and balances the interests of our stakeholders. Gender diversity at board level (29% female) remains a challenge at BML and in Mexico, Colombia, Mozambique and South Africa where results are also under the targeted 30%. Only 10% of our operational boards are chaired by a woman. A succession plan is in place to reach 30% female board representation by 2025.

BML governance

Bayport's board of directors comprises 13 globally experienced and industry-relevant members, including a specialist in environmental affairs. The primary responsibility of the board is to ensure the Group creates and preserves value and is protected from value erosion for current and future stakeholders.

In accordance with their shareholding, Bayport's shareholders appoint the board members, while up to four independent directors may be appointed by a majority board decision.



BML's board of directors oversees a group of companies operating across nine regions. Meetings are held quarterly with a strong 87% attendance rate in FY2023. Meeting packs are comprehensive, discussions are formally minuted, and a formal delegation of authority guides decisions in the company's best interest.

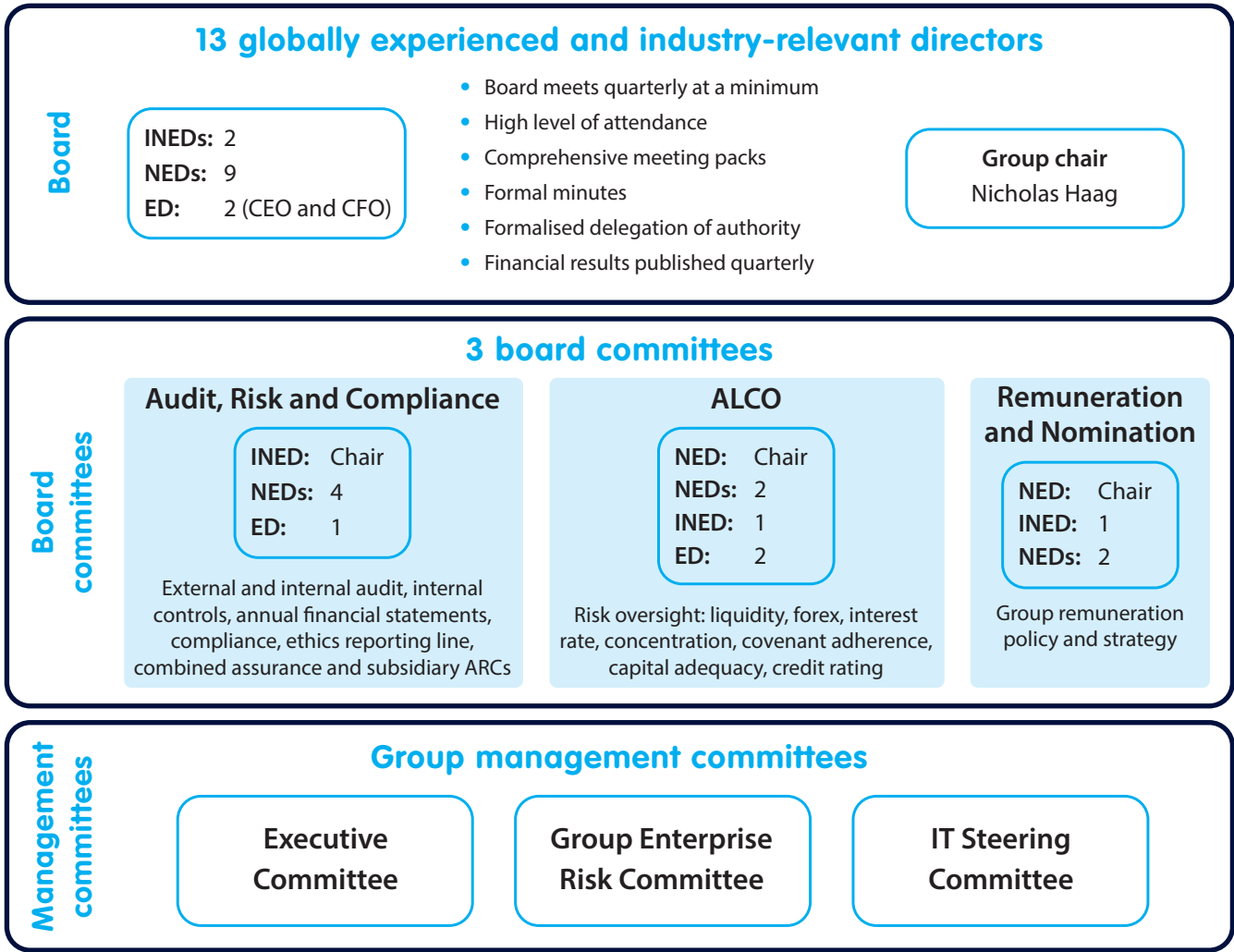
The board is supported by three standing committees that meet quarterly to help steward the sustainability business strategy. Additionally, Group management committees meet monthly to manage day-to-day risks and ensure timely mitigation actions and escalation of material risks.

Group governance structure

- **Audit Risk and Compliance Committee (ARC)**
The ARC is responsible for ensuring the effectiveness of the combined assurance model, which integrates assurance from management and internal and external providers into a cohesive approach to assurance activities. The committee ensures that the assurance received adequately addresses all significant risks facing the company. Additionally, it annually reviews the skills, resources and experience of the company's finance function. The ARC monitors the relationship between external assurance providers and the company, as well as organisational integrity and ethics.
- **Board Assets and Liabilities Committee (ALCO)**
The ALCO serves as a crucial link between the board and effective risk management, significantly impacting the organisation's financial health and sustainability. Its roles and responsibilities include:
 - a) **Risk management oversight:** Evaluates on- and off-balance-sheet risks, such as interest rates and liquidity.
 - b) **Earnings influence:** Manages the spread between interest income and expense to influence net earnings.
 - c) **Liquidity management:** Monitors liquidity risk and develops contingency funding plans.
 - d) **Board alignment:** Aligns strategies with the board's goals, objectives and risk tolerances to address funds management and liquidity risk tolerances.
 - e) **Regular meetings:** ALCO meets quarterly to review market risk tolerances, establish management information systems, and approve liquidity and funds management policies.

Governance

Group governance structure



Credit Committee

Our organisational structure reflects our commitment to financial inclusion and responsible lending, with dedicated Credit teams responsible for designing and implementing inclusive financial products and services. The Credit Committee oversees the work of these teams.

It assesses debtor book performance, portfolio quality, creditworthiness, repayment capacity and collateral to balance financial inclusion with prudent risk management. It also ensures compliance with regulations, develops internal controls and recommends responsible lending strategies for board approval.

Subsidiary governance

Bayport has implemented governance structures in all its subsidiaries that are designed to align with the group governance structure as much as possible, taking into account local requirements and practical considerations. This approach ensures strong governance frameworks that allow for operational autonomy.

Key elements of the subsidiary governance structures:

- Boards of directors that meet quarterly.
- Audit, risk and compliance committees in Botswana, Colombia, Mexico, Tanzania, Uganda and South Africa that meet quarterly.
- Audit and finance committees in Mozambique and Zambia that meet quarterly.
- Audit, finance and remuneration committee in Ghana that meets quarterly.
- Risk and compliance committees in Ghana, Mozambique and Zambia that meet quarterly.

Governance

Depending on regulatory requirements, some subsidiaries have additional structures:

- Remuneration and nomination committees (Ghana, Mozambique, Zambia)
- Loans Review Committee (Zambia)
- Credit Committee (Mozambique)
- General Assembly (Mozambique)
- Social and Ethics Committee (South Africa)
- Assets and Liabilities Committee (South Africa)

Various management committees also exist, including the Executive Committee, Management Committee, Risk Management Committee, and Credit and Collections Committee.

The Group Risk function has established three functional units – Governance and Compliance, Risk Management, and Forensic Services – each managed by specialists. These functions are consistent across the Group but are tailored to meet the specific regulatory and governance requirements, as well as the size and needs of each business.

Training and evaluation

Bayport conducts annual board and committee performance assessments. The chairperson acts on the results of the board evaluation, shares these with the board for discussion, and

Bayport Ghana received several industry accolades, including the CEO of the Year and Credit Brand of the Year, and was recognised in the corporate governance category.



Bayport Ghana CEO, Akwasi Aboagye, receives his award as non-bank CEO of the year.

works with the group head of GRC to leverage any strengths and consider and implement areas flagged for attention.

The shareholders review directorships on an annual basis, including the chairperson. The board evaluates the chairperson's performance every year.

Additionally, the Audit Risk and Compliance Committee (ARC) conducts annual performance evaluations for the Risk and Compliance, Finance and Internal Audit functions. The business assesses the Internal Audit function every year and external assessments are done every five years.

Bayport provides capacity building and training programmes for board members and governance professionals. These initiatives strengthen governance practices, enhance risk management capabilities and promote a culture of governance, risk, compliance and ethical conduct.

Key governance policies

In line with Bayport's dedication to integrity and good governance, the board has adopted several governance policies and a code of business conduct and ethics. These are the foundation of Bayport's business conduct programmes and offer a framework for ethical behaviour.

• Code of ethics and business conduct

To uphold the highest standards of ethical conduct, fair dealing and integrity in all aspects of our business, the Group has established a code of ethics and business conduct, which all directors and employees are expected to adhere to.

We maintain a zero-tolerance attitude towards corruption, violations of the law and unethical business practices. Bayport is committed to engaging only with employees and third parties who share our commitment to ethical business practices.

The code outlines the standards and principles – integrity, diligence, responsibility – that Bayport employees are expected to uphold in carrying out their responsibilities. It surpasses the legal requirements and embodies Bayport's core values and expectations as a responsible employer. It helps employees avoid transgressions due to ignorance, misunderstanding or misinterpretation of their obligations.

Any violation of the code is considered a breach against the Group and may lead to disciplinary and/or legal action against the transgressor.

• Conflict of interest policy

All our internal stakeholders, including board members, employees at all levels and agents, are expected to act at all times in Bayport's best interests. They must exercise sound

Compliance

judgment, unclouded by divided loyalties, and avoid both the appearance and the reality of a conflict of interest.

Our conflict of interest policy is not an indication of mistrust but is intended to protect individuals by ensuring they recognise conflict situations and take steps to avoid or manage them. It provides guidelines on what constitutes a conflict of interest and rules relating to specific conflicts.

All employees are required to disclose any conflicts of interest, or the appearance thereof, at least annually. These disclosures are assessed in consultation with the CEO and other executives to identify any real, potential or apparent conflict of interest and determine the actions needed to avoid, mitigate and/or manage it. A register of all declarations, assessment outcomes and agreed-upon actions is maintained.

Service providers are encouraged to establish similar policies for themselves.

In March, Bayport Mozambique launched an internal campaign called 'Bayporteer's Conduct' to emphasise the importance of excellent employee conduct in ensuring high-quality service and customer satisfaction. The campaign showcases the professional experiences of Bayporters who serve as examples to others and become ambassadors of good conduct.

Operating within the legal and regulatory environment

Bayport does not tolerate non-compliance with applicable laws, regulations and standards and has established policies, procedures and reporting and incident-response mechanisms to address any concerns promptly.

Operating in multiple geographies with distinct regulatory environments, we must prioritise compliance and monitor it through a robust framework. Compliance is vital for fostering sustainable business practices and building stakeholder trust.

In 2023, one of our operations incurred a regulatory fine related to non-compliance with mandatory reserves. It was, however, due to a technical error in the country's central bank system. To mitigate such risks, we diligently monitor our account balances at central banks. If there are delays in fund transfers from other banks reflecting in our account due to issues with the central bank's system, we promptly notify them, outlining the incident and potential implications, including the risk of breaching reserves.

Environmental compliance

Despite not having a significant environmental footprint, we implement measures to reduce pollution, conserve resources and manage waste responsibly. These efforts contribute to environmental sustainability and demonstrate our commitment to protecting the planet for future generations. Read more on page 64.

Compliance with labour laws and regulations

Compliance with labour laws and social regulations help to uphold human rights, promote fair labour practices and foster inclusive workplaces. Bayport provides safe working conditions, fair incomes and benefits, and prohibits discrimination and



Poster encouraging Mozambique Bayporters to submit ideas on how they practice the Bayport values.

harassment. This creates an environment where employees feel valued, respected and empowered, enhances morale and productivity, and builds Bayport's reputation as a responsible employer.

Compliance with ethical business conduct

Bayport has established robust corporate governance structures to promote ethical decision-making, prevent conflicts of interest and safeguard shareholders' interests. This encourages investor confidence, attracts capital investment and enables sustainable growth and long-term value creation for stakeholders.

Compliance activities are integrated into the organisation's sustainability strategy to contribute to sustainable business practices. Upholding legal and ethical standards not only minimises negative impacts on society and the environment but also builds trust and credibility with stakeholders, which drives long-term success and resilience.

Combating financial misconduct

We value our reputation and are committed to integrity in all our dealings. It is a fundamental principle of the Group that all our businesses conduct themselves honestly and ethically, without resorting to corrupt practices, bribery or inappropriate payments, favours or services to gain unfair advantages.

Principles and frameworks

The board and executive management are responsible for providing ethical leadership and implementing effective systems to counter financial crime. This includes preventing and combating bribery and corruption within the Group and overseeing the effective management of regulatory risks (including those related to bribery and corruption) across the Group.

Programmes to combat financial misconduct, designed and managed by the Group's compliance and forensic services functions, are implemented in all jurisdictions where we operate. These relate to anti-bribery and corruption (ABC), anti-money laundering (AML), anti-terrorist financing (ATF) and fraud prevention and detection.

The compliance and forensic services functions monitor the use and effectiveness of the policies and programmes covering financial crime, provide guidance on interpretation, application, training and oversight, and respond to reported concerns.

Management at all levels ensures that staff reporting to them are aware of and understand the policies and receive adequate and regular training. All employees have a personal responsibility to behave ethically and comply with the law. They must report concerns or incidents internally using appropriate channels, including the independent and confidential whistleblowing hotline. They are also obligated to

report suspicious and unusual transactions to the authorities in accordance with local regulatory requirements.

All our operational sites undergo internal audit/risk assessments concerning business ethics issues, while fraud and ethical behaviour risks are included in our approach for all audits. Additionally, during the annual risk management review for all group entities (subsidiaries and associates), we conduct a deeper dive into our governance and risk culture.

Every year, all employees must do compliance training to ensure they are aware of our anti-financial crime policies and processes and can recognise and report suspicious activities.

Anti-bribery and corruption (ABC)

Bribery and corruption expose individuals and Bayport to significant regulatory sanctions, fines, criminal prosecution and reputational harm. It also destroys business relationships.

We have implemented rigorous anti-corruption measures across our operations. Our policies and procedures include stringent due diligence processes to prevent bribery and corruption in lending activities. We regularly monitor compliance with these measures and provide training to employees to ensure adherence.

Our ABC policy sets out the standards and behaviour required to prevent bribery, corruption and anti-competitive practices. It forms the basis for the Group's minimum standards relating to bribery and corruption risk management and compliance. Business conduct programmes that further support the prevention of bribery and corruption, are managed by our Governance, Risk and Compliance function and run independently from the ABC programme.



Bayport observes Fraud Awareness Week each year across all operations.

Third parties that represent heightened ABC risks, including politically exposed persons (PEPs), are subjected to enhanced due diligence procedures. Our employees may not offer, promise or provide financial or other advantages to public officials with the intention of influencing their official functions and provide an advantage to the person or entity concerned.

• ABC incident management

We follow a risk-based approach to proactively identify and assess bribery and corruption risk, and ensure resource allocation is consistent with the level of risk. Board oversight guarantees approved risk assessment processes are followed by each business area to prevent, detect and manage internal and external bribery and corruption risks or threats.

In 2023, there was no confirmed incident of corruption within the Group nor were there any public allegations of corruption made against Bayport, and the Group did not face legislative or regulatory sanctions for bribery and corruption infringements.

Combating financial misconduct

Anti-Money Laundering

The Group aims to combat money laundering and terrorist financing by having an effective AML/ATF programme in place. Customer due diligence (CDD) is a key element of our AML system, ensuring we know our customers and adhere to all AML/ATF laws, regulations and guidelines.

We monitor and report suspicious transactions and activity by diligently identifying any unusual or suspicious transactions/activity in the jurisdictions where we operate. All operating countries have board-appointed anti-money laundering reporting officers (AMLROs) who are informed about all suspicious transactions/activities.

Regular anti-money laundering training is provided to employees to improve the detection and reporting of suspicious transactions. Training is mandatory for all new employees and those who work in areas particularly exposed to money laundering and terrorist financing threats. Annual refresher courses are presented for existing staff.



Fraud

Our fraud policy describes unethical/fraudulent behaviour, reporting mechanisms and the repercussions of proven unethical behaviour.

Effective fraud management underpins Bayport's commitment to integrity, transparency and responsible practices and protects customers, employees and investors from financial losses and reputational damage.

The Audit Risk and Compliance Committee receives detailed fraud reports pertaining to incidents with significant reputational impact and financial losses.

- Fraud incident management**

Fraud investigations are carried out in line with best practices in fraud examination techniques and evidence-gathering procedures. Investigations also align with Bayport's values, the Code of Professional Standards, and the Code of Professional Ethics of the Association of Certified Fraud Examiners. Where appropriate, legal action is taken.

Due to the nature of our business, incidents of fraud are not uncommon and all allegations are investigated. In 2023, a total of 1 733 cases were reported, of which 46% were closed as founded. From these, 13 employee dismissals, 61 agent terminations and 15 arrests resulted. Of the 1 136 closed cases, 781 cases were proactively saved.

We strive to combat fraud and enhance our control environment to reduce the risk of fraudulent activities. In 2023, 0.92% of our total disbursements were pro-actively saved and 0.02% of fraud losses were incurred; all indicators were below our 0.15% threshold.

Mandatory training and awareness programmes on fraud prevention and ethical conduct are provided to all employees, while the regular sharing of fraud alerts keep employees informed of the latest trends. In 2023, 85.4% of enrolled employees completed fraud-awareness training.

Investigations	2022	2023
Number of reported cases	2 019	1 733
Number of cases closed	1 391	1 136
Number of cases closed as founded	1 070	802
Proactive saves	1 035	781

Outcomes	2022	2023
Employee dismissals	17	13
Agent terminations	86	61
Arrests	32	15

Grievance mechanisms

We are committed to an environment where open, honest communication is the norm and grievances are addressed promptly and fairly.

Customers

As a customer-centric business, Bayport places great importance on effective and high-quality communication and complaint management. We want to be known for excellent customer service that includes handling grievances consistently, fairly, efficiently and effectively.

All our customer-focused policies set out our complaints channels. Customers can contact our call centre and customer service teams by email, website, telephone or post, visit any of our offices or branches, or appeal to their country's credit-market regulator. This information is included in all marketing material and loan documentation. Our customer service teams are skilled and experienced in addressing customer complaints and committed to achieving amicable outcomes.

Employees and agents

We strive to create an environment where employees and agents feel comfortable approaching management about policy or standards violations. All our subsidiaries have grievance policies and procedures that protect the rights of employees and agents and enable dissatisfactions to be addressed promptly and effectively.

Whistleblowing: EthicsPoint reporting

We have implemented an independent ethics reporting line (whistleblower channel), called Navex EthicsPoint, operated by a third-party. This service, available 24/7 via telephone and web, allows reporters to remain anonymous. The Navex EthicsPoint

line is available in English and local languages in our operating countries.

Employees, agents, suppliers and other stakeholders can submit reports related to violations stated in our code of conduct and business ethics.

Incidents reported through Navex are immediately communicated to the internal audit executive for investigation in accordance with Group policies, which protect whistleblowers against retaliation. The board, through the Audit, Risk and Compliance Committee, has oversight of all cases reported through the EthicsPoint system and receives a quarterly report to this effect.

Thirty-four cases were reported in 2023. Of these, 11.8% were closed as founded, including two related to misconduct, one to falsification of contracts and one to discrimination and harassment.

Complaints received via whistleblowing hotline	2022	2023
Total complaints received	21	34
Cases investigated and closed	21	34
Complaints closed as founded/valid	3	4
Complaints still under investigation (by year end) ²	2	3

NAVEX GLOBAL[®]
The Ethics and Compliance Experts

Types of complaints investigated ³	2022	2023
Misconduct	5	11
Bribery and corruption	3	6
Theft	0	1
Discrimination or harassment	7	6
Accounting and auditing	2	3
Nepotism	1	2
Falsification of contracts, reports or records	2	4
Violence or threats	0	1
Embezzlement	1	0

² 3 open cases at end of December 2023 were closed out by the time the report was generated on 29 February 2024.

³ Types of complaints are selected by the reporter and not always reliable or reflective of the actual case type.

Risk management



Bayport observed Risk Awareness Week with an internal group-wide campaign that highlighted key business risks. The campaign was translated into the local language of each operation.

Bayport implements robust risk management systems and processes to identify, assess and manage risks, ensuring compliance with applicable regulations and industry standards.

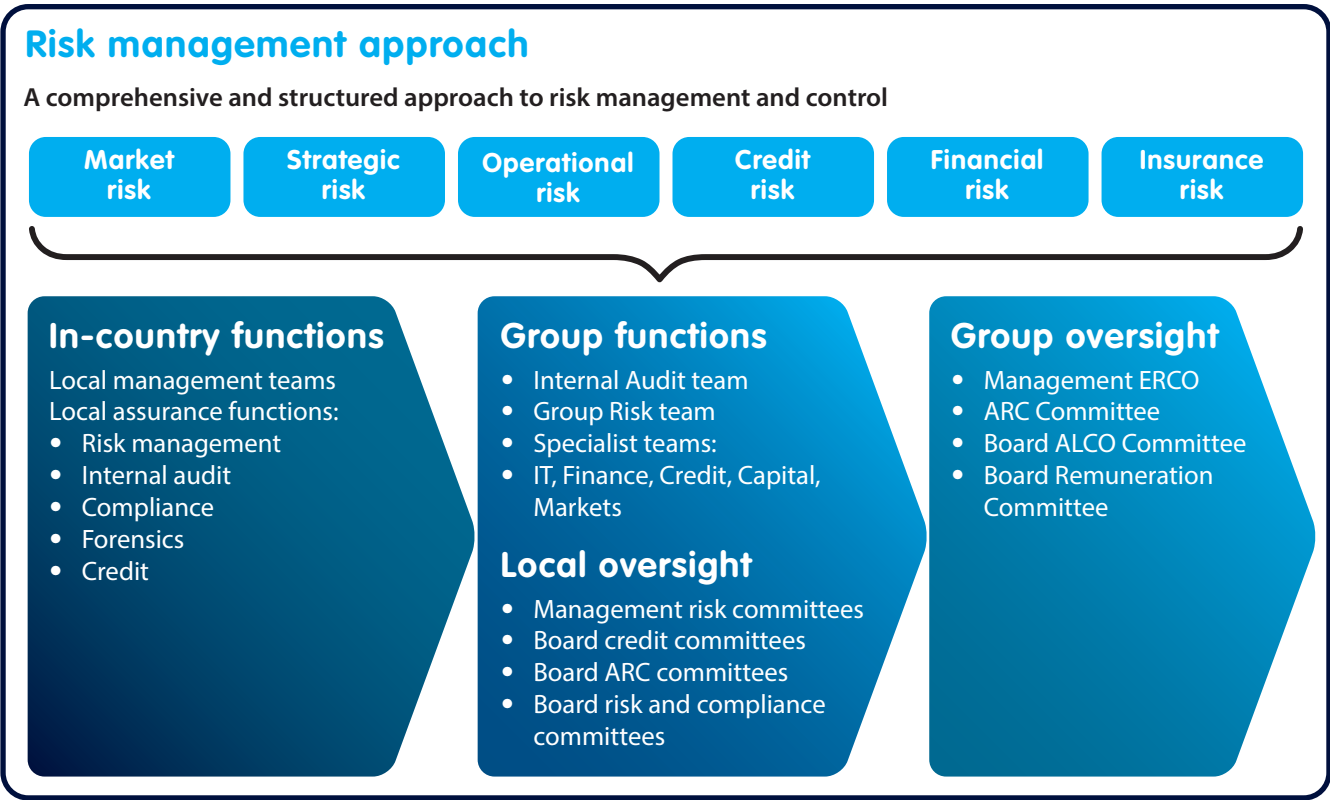
Our risk management frameworks prioritise the mitigation of social and financial risks associated with lending activities and include measures to assess the creditworthiness of borrowers responsibly to prevent over-indebtedness. They also promote financial literacy.

Risk appetite and tolerance

Bayport has implemented a comprehensive risk-management framework with clearly defined risk appetite and tolerance levels.

Appetite is the amount of risk that the business is willing to take in pursuit of its objectives, while tolerance as the maximum amount of risk the business can absorb before the achievement of objectives is threatened.

The Group dedicates resources and focus to understanding and ensuring risk is identified, assessed, managed and monitored.



Controls and mitigating actions are designed to reflect the risk appetite in each instance.

Risk governance and structure

Risk management is everyone's responsibility at Bayport, extending from strategic planning to daily operations in all business units. The ultimate accountability for risk oversight rests with Bayport's board of directors, who, along with

the Audit, Risk and Compliance and Risk and Compliance committees, convene quarterly to assess material risks and devise action plans to maintain alignment with the risk appetite. We address various risk types, including strategic, operational, financial, market, liquidity, credit and insurance risks, with input from diverse stakeholders across the organisation.

Risk management

Risk management framework and approach

A standardised risk taxonomy (risk universe) and risk reporting tools ensure that a consistent risk language and understanding exists throughout the Three Lines of Defence model. This is further supported by a standardised risk matrix that is used to determine risk ratings.

Three lines of defence

First line of defence: risk owners

Highly skilled management team with globally relevant financial service capabilities.

Policy framework

- Code of ethics
- Governance policies
- Compliance policies
- IT policies (ISO27001)
- Human resource policies
- Credit and finance policies
- Internal controls
- Management controls
- Independent anonymous incident reporting facility

Second line of defence: monitor risk

Risk management

- Standard risk methodology
- Risk management policy and framework
- Risk appetite framework
- Quarterly enterprise-wide risk registers
- Group enterprise risk committee
- Risk oversight by Board ALCO and ARC committees
- RCC committees

Compliance

- Standardised compliance framework
- Global regulatory development monitoring
- AML World-Check sanction screening

Forensics

- Prevention (charter, policy, rewards, programme, training, automated fraud rules)
- Detection (audits, investigations, data analytics)
- Response (corrective action)
- i2 Link Analysis intuitive intelligence data management application
- RUBIQ case management
- Participation in fraud forums/networks

Third line of defence: independent assurance

Internal audit

- Systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes
- Group Internal Audit Charter
- Risk-based approach
- Functional reporting
 - CAE to group ARC chair
 - Subsidiary IA teams to CAE
- TeamMate audit software
- IDEA data mining tool
- Rolling 3-year internal audit plans, aligned to strategic themes of the business
- Synchronised work effort with other assurance providers
- Tracking registers of previous reported findings
- Annual assessment of effectiveness of internal controls and adequacy of risk management process
- Independent quality review at least every 5 years
- ARC oversight role:
 - Approval of internal audit approach
 - Monitoring of annual plans
 - CAE appointment and performance reviews
 - Assess management responsiveness

External audit

- Group auditors
- Subsidiary auditors
- Policy for non-audit services provided by external auditors
- Unqualified audit reports

Risk management

Managing our social and environment risks and impacts

Bayport's commitment to responsible financial inclusion and the protection of human rights is foundational to our environmental and social management system (ESMS).

Our robust risk management systems and processes are designed to identify, assess and manage ESG-related risks, ensuring compliance with regulations and industry standards. These frameworks prioritise the mitigation of social and financial risks associated with lending activities, including measures to assess borrowers' creditworthiness responsibly, prevent over-indebtedness and promote financial literacy.

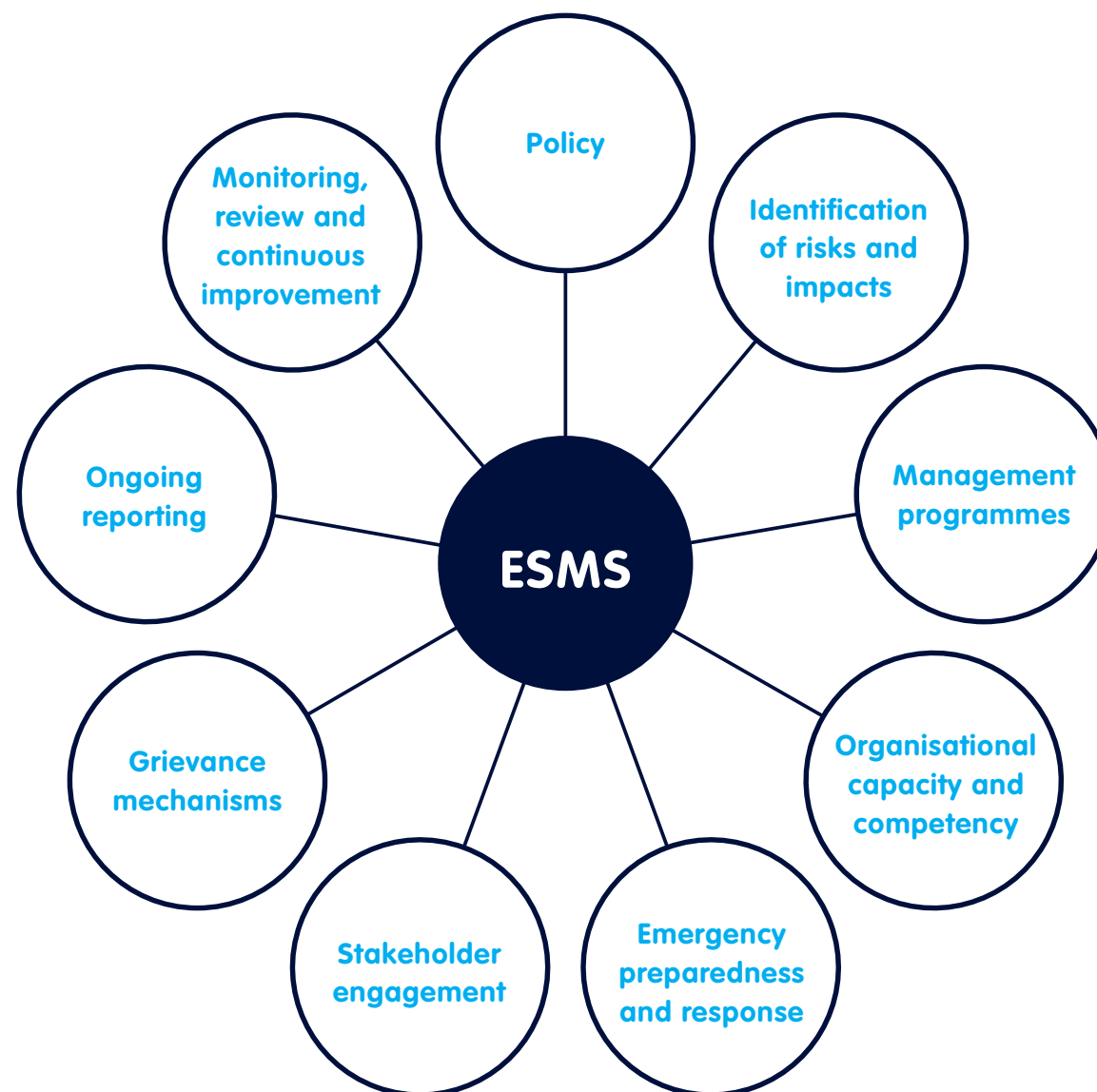
- **Principles and frameworks**

Our ESMS framework, aligned with IFC Performance Standard 1, underscores our commitment to inclusion, ethical trade, transparency, accountability and sustainability across all markets. Comprising nine interrelated elements, our ESMS helps assess, control and continually improve our environmental and social performance. Through promoting awareness and influencing stakeholders to be more environmentally and socially responsible, we drive positive change beyond our operations.

As part of our commitment to ESG principles, we ensure that all projects and activities adhere to the relevant legislation and standards, including harmonised exclusion lists, IFC performance standards and World Bank Group guidelines. Additionally, we adhere to ILO standards and commit to respecting human rights and client protection principles.

- **Identification of environmental and social risks and impacts**

We identify and address environmental and social risks associated with our activities. Risk assessments are done at least quarterly or more frequently if required by changes in regulations or other factors. ESG risk appetite metrics, based on the UN Global Compact principles, are defined, tracked and reported monthly as part of the Group's ERCO process.



Risk management

Issues considered when assessing E&S risks and impacts in our operations include:

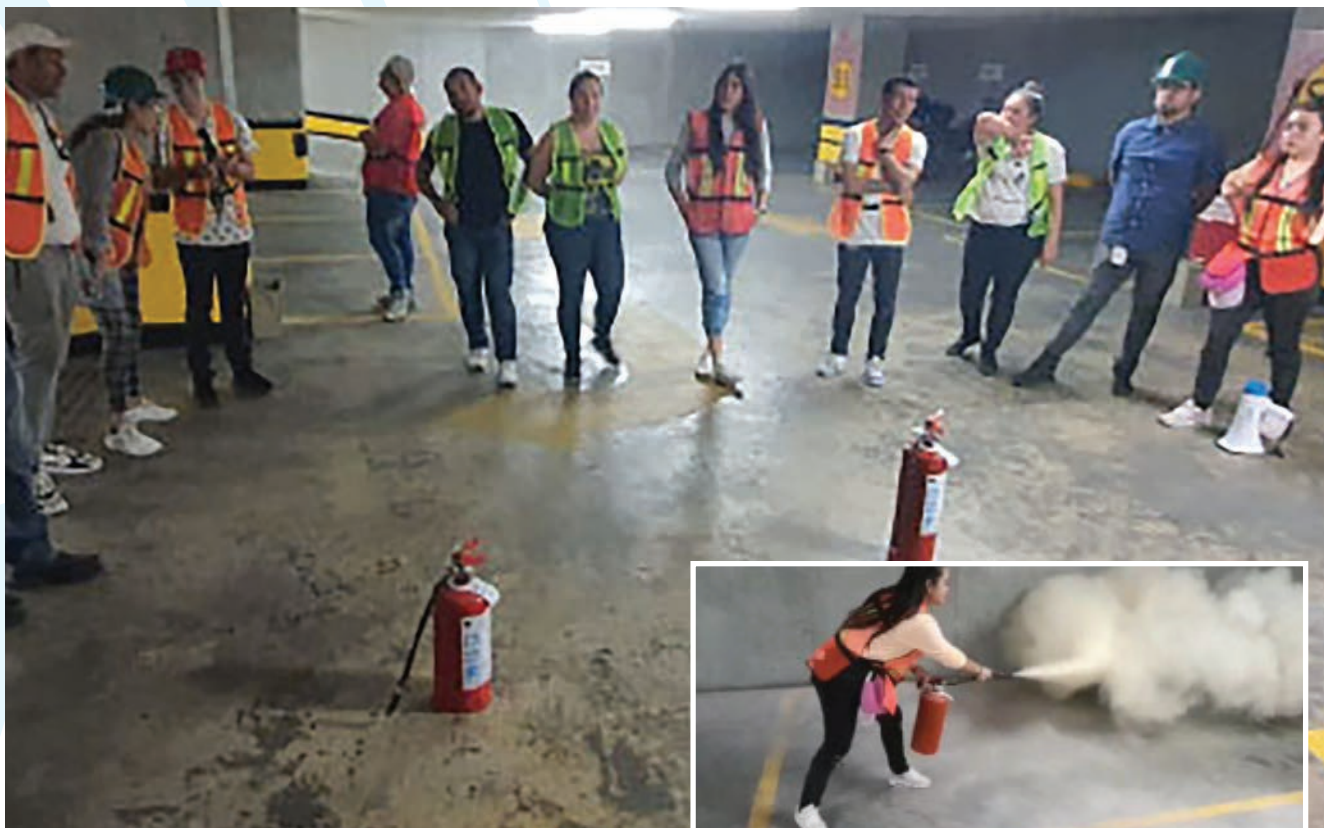
Environmental	Social
Policy and procedures	Responsible leadership/ accountability
Energy, water and other resources	Labour and human rights
Pollution	Occupational health and safety
Technology	Consumer protection
Supply chain	

We integrate social and environmental aspects into our loan cycle where appropriate. This includes ensuring that staff, agents and customers are aware of the environmental and social impacts of specific loan usages.

Our loan appraisal systems and standard operating procedures incorporate social and environmental considerations at various stages of the loan cycle. For example, at the time of application, the purpose of the loan is asked, and the exclusion list is used to reject applications that fall within excluded activities, such as forced or child labour, gambling and oil exploration or production. All our subsidiaries have amended their loan terms and conditions to include ESG covenants and requirements, ensuring compliance with exclusion lists and applicable ESG laws and regulations.

- E&S training and awareness**

We provide training programmes to employees and agents to enhance their understanding of ESG issues and their roles in achieving environmental and social objectives.



Bayport Mexico's emergency response team during their training.

While our inherent environmental risk is low, we do track and report on measures to reduce energy consumption, water use and waste production.

In the realm of social and human capital strategies, we focus on human rights, community relations, customer and employee welfare, data security and ethical sales processes.

Governance training includes ethics, anti-bribery and corruption. Information around these trainings is provided in various sections of this report. In 2023, we rolled out the first of three ESG modules, titled 'What is ESG?', which 90% of staff across our operations completed. These modules develop our staff's understanding of ESG as a company strategy, but also as a more sustainable way to live our personal lives.

Risk management



In Mexico, a formal 2-day training for the 31-member emergency response team covered various aspects of emergency management, while Mozambique ran recycling-awareness sessions to promote a culture of recycling among employees and their children.

Tax

We are committed to full compliance with tax laws and regulations and full disclosure to tax authorities in terms of the statutory obligations in the countries in which we operate.

The board of directors at BML holds ultimate responsibility for the group's tax matters and governance. It oversees the reporting on income and tax expenses, manages tax risks and establishes tax risk policies. This oversight role is delegated to the Group Audit, Risk and Compliance Committee, which approves the group's tax strategy that guides our approach to tax matters.



The group chief financial officer implements the board's directives. Bayport's tax governance standard delineates the roles and responsibilities of the Tax function and other business and support areas within the group to guarantee compliance with corporate governance and to effectively manage tax risk.

Highlights

The Group actively contributes to government revenues through corporate taxes and indirect taxes, including VAT. Additionally, we collect taxes such as withholding tax and employees' tax on behalf of revenue authorities.

Our financial contributions in 2023:

- **Corporate taxes paid:** USD16.6m
- **Withholding taxes paid:** USD7.1m
- **Total taxes paid in African operations:** USD27.4m
- **Tax refunds in Latin America:** USD3.7m
- **Employee taxes collected on behalf of governments:** USD9.5m

Principles and frameworks

Bayport's tax governance policies and standards are rigorously scrutinised and approved by the BML board of directors and then localised and approved at subsidiary level. These policies cover all aspects of tax risk, including corporate taxes, withholding taxes, transfer pricing and employee remuneration related taxes. They are updated at least every three years to ensure alignment with the Group's strategy and compliance with changes in tax laws and regulations.

Our tax risk management policies outline standard operating procedures for both routine and non-routine transactions. These procedures ensure that tax compliance is effectively and continuously monitored and well embedded in the daily operating activities of the Group and its subsidiaries.

Bayport commits to the following principles to optimise tax efficiency while remaining compliant with applicable laws and regulations:

- **Compliance:** Ensure that all tax obligations are met, and that the tax strategy adheres to relevant tax laws and regulations.
- **Tax planning:** Engage only in transactions that have commercial and economic substance and do not carry the prospect of material reputational risk.
- **Long-term planning:** Effective tax planning considers long-term goals and implications. It involves forecasting and adapting to changes in tax laws, personal circumstances and financial objectives over time.
- **Risk management:** Assess and manage tax risks through understanding potential tax consequences and implementing measures to mitigate risks.
- **Consistency:** Maintain consistency in tax reporting and strategies to establish credibility with tax authorities.
- **Documentation:** Thorough documentation of financial transactions, decisions and tax planning strategies provides evidence of compliance with tax laws and regulations.
- **Flexibility:** Adapt to evolving tax regulations and the impact economic conditions may have on the tax strategy.
- **Ethical considerations:** Engage in ethical tax planning that avoids aggressive or abusive tax avoidance schemes to maintain trust and credibility with stakeholders.
- **Tax havens:** The Group operates in jurisdictions that may be defined as tax havens for commercial and not tax reasons.

Identifying, managing and monitoring tax risk

The Group has implemented a robust principle-based tax risk management policy to proactively identify, manage and monitor tax risks. This minimises potential liabilities and ensures compliance with tax laws and regulations.

Tax

This policy includes:

- Conducting risk assessments, reviewing tax positions and considering the potential impact of changes in tax laws or regulations.
- Evaluating identified tax risks based on their likelihood and potential impact on the organisation.
- Prioritising risks according to their significance and developing criteria for assessing the level of risk tolerance acceptable to the organisation.
- Implementing controls and mitigation strategies to manage identified tax risks effectively, including enhancing internal controls, conducting tax training and education programmes for employees, and implementing technology solutions for tax compliance and reporting.
- Defining roles and responsibilities for managing tax risk throughout the organisation, assigning accountability for specific tax risk areas to individuals or teams, and establishing reporting lines to ensure oversight and accountability.
- Providing regular reports on tax risk management activities, including updates on identified risks, mitigation efforts and any significant developments or changes in tax laws or regulations to senior management, the board of directors and external auditors.
- Fostering a culture of continuous improvement in tax risk management by regularly evaluating the effectiveness of policies, procedures and controls, soliciting feedback from stakeholders, and making adjustments as necessary to enhance the organisation's ability to manage tax risks effectively.
- Ensuring that tax risk management activities align with the organisation's values and ethical standards, emphasising the importance of compliance with tax laws and regulations and ethical conduct in all tax-related activities.

- Leveraging external resources, such as tax advisors, legal counsel or industry associations, to supplement internal capabilities and stay informed about emerging tax risks and best practices.

Effective tax rate reconciliation

The consolidated Group is liable for income tax in Mauritius at a rate of 15%. The effective tax rate represents the total direct tax

accrued in the income statement as a percentage of net profit before direct tax. The total direct tax accrued in the income statement comprises current and deferred tax and as a result cash taxes paid is not a representation of the total direct tax expense. The effective tax rate will differ from the statutory tax rate when tax legislation deems certain income and expenses non-taxable or non-deductible when calculating the tax expense or credit for the entity.

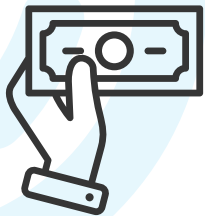


Supply chain management



USD47 332 805

**PAYMENTS TO SUPPLIER
ORGANISATIONS AND
INDIVIDUALS: TOTAL**



USD29 109 705

**PAYMENTS TO SUPPLIER
ORGANISATIONS AND
INDIVIDUALS: LOCAL**

Policy

We have implemented a comprehensive supply chain management framework across all our operations, focusing on responsible sourcing practices and ethical standards. Our procurement policy sets out mandatory requirements for contracting with external suppliers in the interest of strengthening controls and enhancing the management of procurement activities.

Our procurement policy ensures that goods and services are procured in a manner that:

- Realises the best value for money for the company by establishing ethical relationships with reliable, reputable and cost-effective suppliers.
- Minimises risks related to procurement and safeguards Bayport's interests.
- Is fair, transparent, competitive and cost-effective.
- Aligns with relevant legislative and Bayport standards for the fair and equitable treatment of suppliers.

Supplier due diligence

We conduct thorough due diligence on potential third parties to identify any sanctioned or politically exposed individuals before entering into relationships. This includes vetting the owners of sole proprietorships and partnerships.

Supplier selection

Supplier selection is carried out by dedicated teams and excludes specific departments to avoid conflicts of interest. Suppliers are evaluated based on quality, price, expected service levels and other commercial and technical requirements. Our selection criteria adhere to the approved ESG policy and relevant environmental and social regulations in each country of operation.

This ensures that we do not engage with suppliers associated with activities outlined in our exclusion list, supporting our commitment to responsible sourcing and sustainability.



Information security

Protecting our information assets is paramount, especially as we rely increasingly on digital transformation to drive responsible lending and financial inclusion.

2023 highlights

- We successfully implemented a training and awareness programme and phishing simulations, reducing our vulnerability to cyber attacks by an estimated 40% based on the number of phishing simulations reported in the six months following our adoption of the training and awareness tool.
- 12 sessions on information security awareness achieved a 97% employee attendance rate.
- We strengthened our defences by implementing proactive managed detection response (MDR) and endpoint detection and response (EDR) tools, resulting in a 50% drop in security breach attempts.
- ISO/IEC 27001:2013 certification was completed for our Ghana subsidiary's information security management system.

Information security framework and principles

Our information security architecture emphasises data confidentiality, integrity and availability (CIA) and is aligned with global best practices and standards like NIST and ISO27001. This framework guides our proactive risk assessment, management and mitigation efforts against cyber threats.

Fundamentals at work:

- **Confidentiality:** Ensuring only those with permission access information.
- **Integrity:** Preserving data accuracy and processing techniques.
- **Availability:** Ensuring information is accessible to authorised users.

Data privacy: safeguarding customer information and data

In the era of digitalisation, an organisation's reputation for honesty and dependability depends largely on how secure and private its customer data is. Our data privacy procedures exceed customer expectations while complying with international data protection laws. We use a multi-layered defensive approach to shield sensitive customer information from unwanted access. This includes multi-factor authentication and threat detection, as well as endpoint detection tools, encryption and access restrictions to protect sensitive customer information.

Our privacy policies include:

- **Secure data collection:** Compiling personal information with permission and authorised methods.
- **Data minimisation:** Keeping only information necessary for business needs.
- **Consent and transparency:** informing individuals on how their data is collected, used and shared.

Cybersecurity functional foundations

Our cybersecurity system has four main elements:

1. **Detection:** using advanced methods and instruments to identify threats quickly.
2. **Protection:** implementing measures to stop unauthorised access.
3. **Response:** swiftly addressing security issues.
4. **Recovery:** planning for returning to normal operations after an event.

This framework includes clearly defined roles and duties for a consistent approach to cybersecurity at all organisational levels.

ISO training

In 2023, we held 12 specialised and compulsory online training sessions across the group on information security awareness with a 97% employee attendance rate. These sessions are

essential for building a security-aware culture and ensuring employees understand their role in protecting our digital assets.

Risk assessments for information security and incident management

We conduct quarterly risk assessments to identify and promptly mitigate potential risks.

Our incident management methodology includes:

- **Planning:** create and update incident response strategies.
- **Identification:** acknowledge and disclose security-related occurrences or events.
- **Containment:** reduce an incident's extent and effects.
- **Eradication:** eliminate the root cause and repair the harmed systems.
- **Recovery:** bring impacted systems back to normal.
- **Learning:** enhance response plans and security measures via incident analysis.

We conduct annual IT audits across all our operations. Our monthly ERCO reports and meetings focus on IT vulnerabilities by providing updates on tracked downtime, disaster recovery testing and other relevant topics. Additionally, our quarterly ARC committee meetings specifically review IT risks.

Risk events and vulnerabilities

Despite our strong security measures, two significant cyber events occurred in 2023. Our incident response procedures limited the damage and prevented serious data breaches, while learnings from both events led us to improve and fortify our cybersecurity defences and response plans.

Auditing and validating

Every year, we undertake independent external audits to evaluate our adherence to international information security requirements and provide stakeholders with confidence in the integrity of our information security procedures.

Stakeholder engagement

All Bayport operations have adopted policies on how to continuously engage with stakeholders, including regulators, customers and civil society organisations.

We actively seek feedback from stakeholders to inform our decision-making processes and ensure that our initiatives align with the principles of financial inclusion and responsible lending.

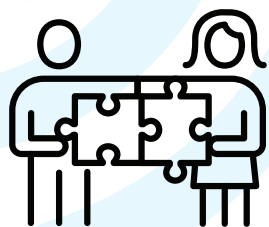
Bayport recognises that regular and systematic interactions with stakeholders can earn their trust and create a positive image for the group. In addition, stakeholders can provide valuable feedback to help avoid or minimise possible negative impacts from our operations.

How we engage

Alongside is a list of relevant stakeholders who are directly and indirectly affected by Bayport operations, together with the methods we use to engage with them. While all stakeholder interactions are underpinned by our values and The Bayport Way, the engagement methods are aimed at enhancing our reputation and stakeholder confidence.

Regulatory engagement

Our interactions with central banks and regulatory authorities in our operating countries are frequent and purposeful. They focus on matters such as regulatory compliance, quarterly returns and encouraging cooperation among microfinance institutions. These engagements keep us informed and engaged in the evolving financial services sector.



985

**PROACTIVE FUNDER
ENGAGEMENTS**

Stakeholders	Main engagement methods	Stakeholders	Main engagement methods
Shareholders	- Representative directors on board - Participation in strategy development - Ongoing inclusive informal discussions	Operating countries (opcos)	- Strategy development - Business planning - Budget development - Monthly reviews and forecasting - Training on processes, new products, systems
Investors	- One-on-one meetings - Portfolio and results presentations	Development funders	- One-on-one meetings - Portfolio and results presentations
Employees	- Townhalls - Rewards and recognition programmes - Internal newsletter - Emails - Performance and development discussions - Team building - Presentations - Notices - Workshops	Customers	- Print, TV and radio - Digital and social media - Events - Below-the-line activities - Presentations at place of work - Call centres - Face-to-face meetings - Sponsorships - Public relations - Grievance mechanisms
Agents	- Newsletter - Emails - Meetings - Presentations - Workshops	Sales agents	- Product and sales training - Daily meetings - Newsletter - Sales bulletins
Communities	- Community projects - Group presentations - Community meetings - Radio, TV and print - Community activations	Employers	- Product marketing to encourage employee participation - One-on-one relationship building and issue resolution meetings
Government	One-on-one relationship building and issue resolution meetings	Regulators	- One-on-one relationship building and issue resolution meetings - Lobbying for responsible lending and industry standards

Stakeholder engagement

We actively participate in regulatory discourse, including discussions on payroll deduction management systems and license and agreement renewals. Additionally, we provide input on upcoming regulatory changes and the development of new system functionalities.

Funder engagement

Discussions with both existing and potential funders not only strengthen our financial foundation but also pave the way for innovative collaborations that expand our network and enhance our resilience.

In 2023, we held 985 proactive funder engagements across the group, a 38% increase from 2022.

Our efforts to pursue new lines and renew existing facilities are intended to strengthen existing partnerships, establish new collaborations and broaden our funder pool to enhance portfolio diversity. These engagements are instrumental in driving growth and sustainability initiatives, and help to address liquidity challenges.

We receive funding from several banks, development funding

Ghana

We conducted meetings with the Bank of Ghana and the Securities and Exchange Commission on regulatory matters. Meetings with the Bank of Ghana focused on follow-up on self-originated applications, write-off requests, justification of write-off requests and approval for the issuance of the Bayport GHS50m bond. Meetings with the Securities and Exchange Commission centred on the inclusion of the Remuneration and Nomination Committee into the Board Audit and Finance Committee.

We engage with existing and prospective funders through on- and off-site due diligence exercises, annual sustainability reports and regular meetings. Water.Org's senior leadership visited Bayport Tanzania in June to understand our digital progress, market dynamics and the impact of our partnership to deploy Water Equity funds for water and sanitation purposes (read more about this on page 51).

institutions (DFIs), pension funds and fund managers with the following goals:

1. Expand Bayport's microfinance loan portfolio to foster financial inclusion for individuals underserved by traditional banks.
2. Support the provision of quality education to improve literacy rates, employability and economic opportunities.
3. Assist MSMEs post-Covid-19 to help them recover, sustain operations and contribute to economic growth.
4. Increase access to safe water and sanitation solutions for better health outcomes.
5. Create inclusive socioeconomic growth by focusing on low- and middle-income households to reduce poverty and inequality.
6. Promote inclusive growth in emerging economies to benefit all segments of society.
7. Invest in activities, such as education, healthcare or infrastructure, that supplement incomes and benefit customers and communities.
8. Finance lending operations to enable job creation, which is crucial for poverty reduction and economic development.
9. End extreme poverty and boost shared prosperity, aligning with global development objectives.



The Bayport Colombia team at the Sustainability Summit.

Colombia

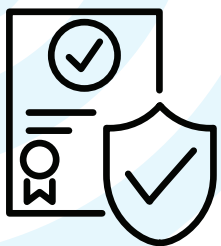
Bayport Colombia actively participated in industry events, such as the Sustainability Summit, the Finance in Common Summit, and the Latam Fintech Market. These events facilitated productive meetings with potential funders and vendors and enhanced Bayport's business opportunities.

10

Our customer

2023 highlights

- 69.6% digitally originated loans as a % of total issued loans (2022: 68.5%; 2021: 55.1%).
- 25 045 new customers (net outright settlements) across the Group.
- 31% female customers on loan book (2022: 31%).
- 100% client protection pathway certification across our subsidiaries.
 - 62.5% of our operations are gold certified; 37.5% hold silver certification.
- 100% of operations have client protection charters in place.
- Development of online financial literacy portal in Mexico and Mozambique.
- NPS improved from 26 in 2022 to 35 in 2023.
- 116% increase in executive employer engagements – from 219 in 2022 to 475 in 2023.
- 63 implemented CSI initiatives, investing over USD125 000 in community projects that promoted education, health, environmental conservation and infrastructure and SME development.



100%

**CLIENT PROTECTION
CERTIFICATION
ACROSS SUBSIDIARIES**

"Bayport's service is exceptional. My loan was processed swiftly, and I consistently receive prompt and high-quality assistance from their outstanding officers. Thanks to Bayport, I've achieved significant milestones, and I frequently recommend their services to others."

Shathani Ratsie, 38
Employed: Ministry of Environmental, Natural Resources Conservation and Tourism

Ts&Cs Apply

Borrow for the right reasons.
CAUTION! Borrowing more than you can afford to repay could lead to severe financial difficulties.

your future now
BAYPORT
FINANCIAL SERVICES

A Bayport Botswana customer testimonial.

Material topics

Material issue	Key area of impact	Strategic KPIs	2022 Results	2023 Results	2025 Target
Access to finance and inclusion	Financial inclusion	digitally originated loans as a % of total issued loans	68.5%	69.6%	90%
		% female customers on loan book	31%	31%	≥30%
		Annual % of loans originated by women	-	30%	≥30%
Financial protection and customer privacy	Customer protection	% of operations SMART / Cerise + SPTF Client Protection Pathway certified (minimum silver level)	25%	100%	100%
Consumer financial wellness	Financial awareness and wellness	Group-wide financial literacy portal	33%	75%	100%
Product quality and sustainability	Financial inclusion and economic empowerment	Improved NPS	26	35	30
Economic contribution to society	Social, environmental and economic development of local communities	CSI – number of initiatives	41	63	40/year
		CSI spend as a % of net profit after tax (NPAT) of the previous year	0.2%	0.73%	1%

Customer profile

Our customers in most markets are government workers, including teachers, nurses and police officers, who use their loans for purposes ranging from financing their children's education, home improvements, dealing with family emergencies and running businesses to supplement their income.

Latin America and South Africa are, to some extent, exceptions to this rule. In Latin America, public pension systems are prevalent, which is why a considerable portion of our business in Colombia and Mexico is focused on pensioners, unlike our African markets.

In South Africa, we offer a comprehensive financial wellness and debt rehabilitation programme for employees of public and private sector organisations. As a result, we serve a customer base that includes government employees, as well as the full spectrum of people employed in corporate companies, ranging from mining to vehicle manufacturing and financial services.

Increasingly, our goal across all our operations is to not only help individuals access financial products; we wish to equip them with the necessary financial skills to secure a financially stable future for themselves and their families.

Customer profile: Groupwide



69

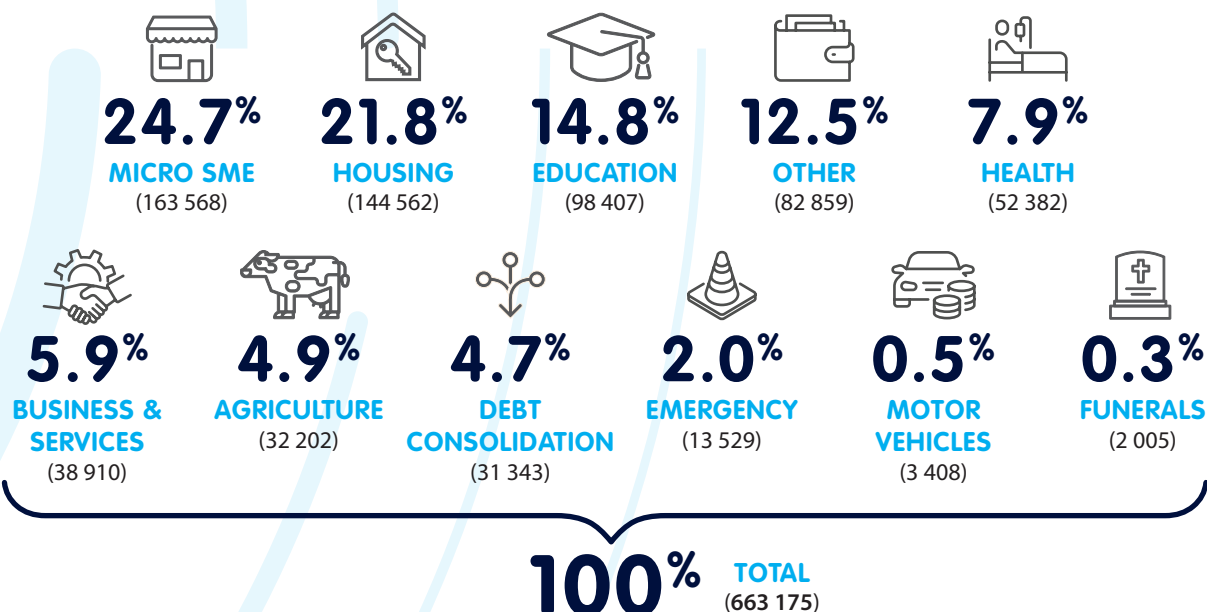
% MALE

31

% FEMALE

AVERAGE AGE	45
SINGLE	45%
MARRIED	53%
EMPLOYED	82%
RETIRED/OTHER ¹	19%

LOAN USE % (indicating volume)



¹ Other = Unemployed who could have been terminated, resigned or absconded.

Customer profile: Africa²70
% MALE30
% FEMALE

AVERAGE AGE **43**

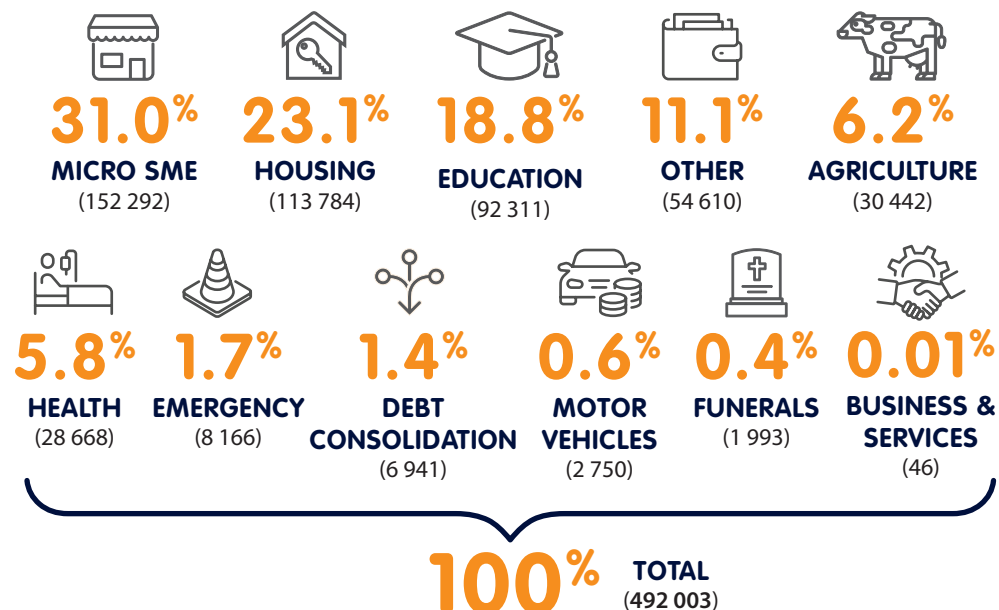
SINGLE **48%**

MARRIED **51%**

EMPLOYED **94%**

RETIRED/OTHER¹ **6%**

LOAN USE (indicating volume)

² Customer profiles (based on active loan book as of 31 December 2023)Customer profile: Latin America²68
% MALE32
% FEMALE

AVERAGE AGE **54**

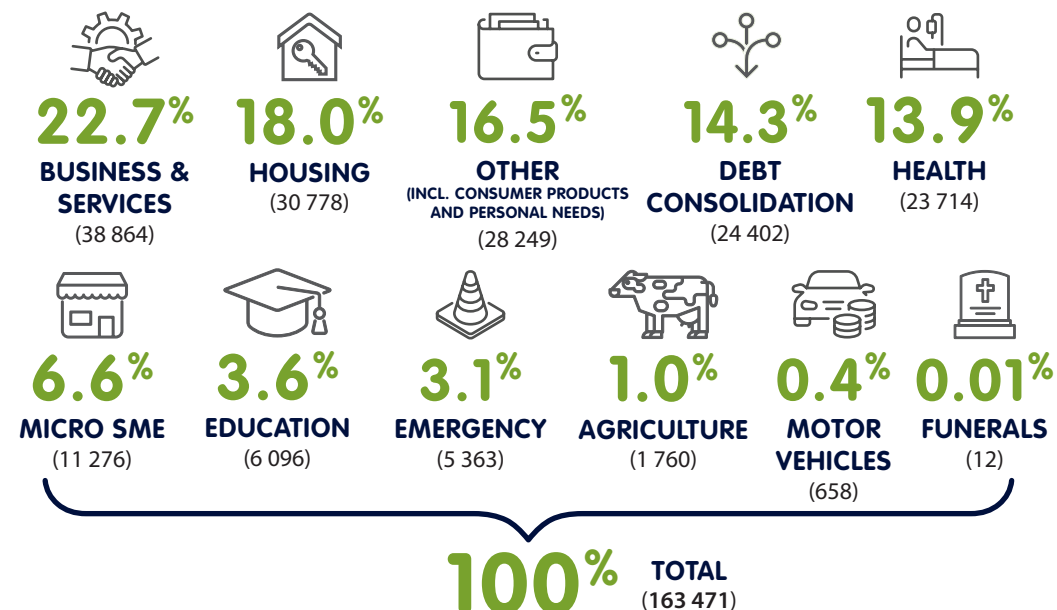
SINGLE **40%**

MARRIED **60%**

EMPLOYED **40%**

RETIRED/OTHER¹ **60%**

LOAN USE (indicating volume)

² Customer profiles (based on active loan book as of 31 December 2023)

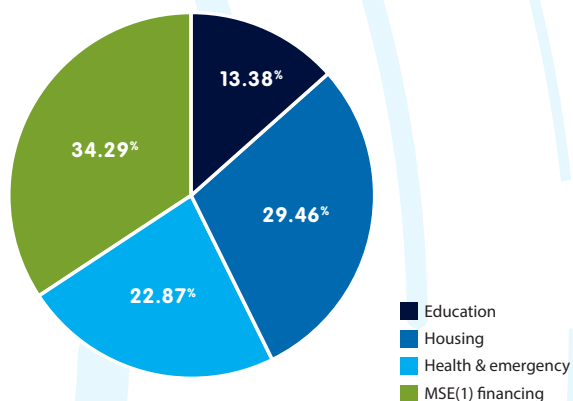
Social bond



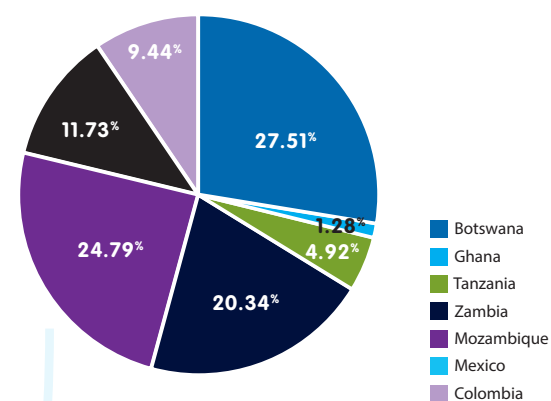
Clara Kessy, a dedicated teacher and entrepreneur in Mwanza, used her Bayport Tanzania loan to expand her thriving fishing business, fostering financial inclusion and personal growth.

In 2022, we issued a social bond with a total nominal value of USD300 million. The full volume has been allocated, with 29% of proceeds financing new loans, and 71% for refinancing purposes.

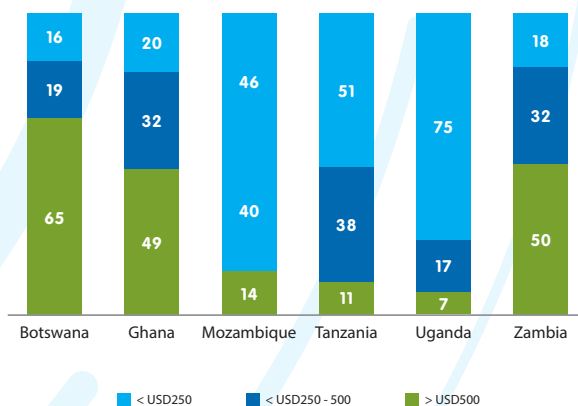
Allocation of proceeds to loan categories



Allocation of proceeds per country

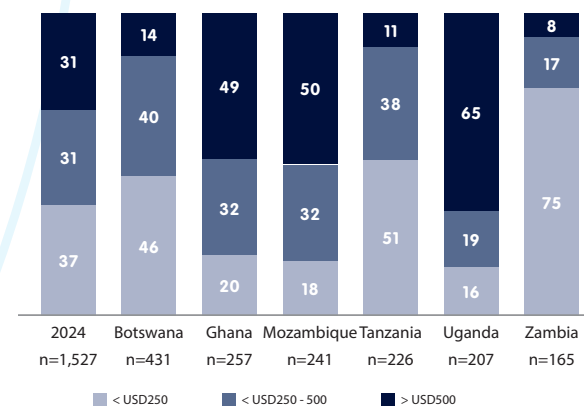


Monthly income



Customer personal monthly income (%)

"In which of the following brackets does your total gross monthly individual income fall?"



Social bond

Allocation of proceeds

	 Botswana	 Ghana	 Tanzania	 Zambia								
	Loans	Number of loans to ageing individuals	Number of loans to women	Loans	Number of loans to ageing individuals	Number of loans to women	Loans	Number of loans to ageing individuals	Number of loans to women	Loans	Number of loans to ageing individuals	Number of loans to women
Education	9 014 036	6	1 856	1 379 908	4	5 214	9,012,249	1	3,613	2,770,913	1	620
Housing	12 011 069	32	3 627	671 731	7	1 606	1,204,170	-	177	4,426,945	-	476
Health & emergency	43 321 365	43	7 209	465 360	-	1 953	917,734	-	679	453,049	-	78
MSE(1) financing	18 198 360	20	4 972	1 312 716	5	6 251	3,617,904	1	2,341	53,368,067	19	7,787
Total	82 544 830	101	17 664	3 829 715	16	15 024	14,752,057	2	6,810	61,018,975	20	8,961

		Mozambique			Mexico			Colombia			TOTAL
	Loans	Number of loans to ageing individuals	Number of loans to women	Loans	Number of loans to ageing individuals	Number of loans to women	Loans	Number of loans to ageing individuals	Number of loans to women	Number of loans	Number of loans to women
Education	8 972 394	-	794	4 643 117	-	-	4 348 348	845	393	40 140 966	13.38%
Housing	50 636 425	2	3 408	6 310 815	4 700	-	13 130 411	2 172	113	88 391 567	29.46%
Health & emergency	3 018 921	-	194	18 078 870	-	-	2 352 316	-	500	68 607 614	22.87%
MSE(1) financing	11 738 332	10	1 291	6 143 117	-	237 099	8 481 355	1 473	7 415	102 859 852	34.29%
Total	74 366 072	12	5 687	35 175 920	4 700	237 099	28 312 430	4 490	8 421	300 000 000	100%

Number of loans

	Botswana	Ghana	Tanzania	Zambia	Mozambique	Mexico	Colombia	Total	
Education	2 441	6 066	12 242	2 667	5 158	270	899	29 743	21.16%
Housing	6 645	2 017	962	2 200	20 199	3 343	5 153	40 519	28.83%
Health & emergency	1 628	2 470	2 860	146	1 075	8 741	614	27 534	19.59%
MSE(1) financing	4 433	4 042	6 170	20 830	5 336	1 675	254	42 740	30.41%
Total	25 147	14 595	22 234	25 843	31 768	14 029	6 920	140 536	100%

New financing	16.80%	18.00%	21.60%	25.60%	15.10%	36.40%	26.60%	29.20%
Refinancing	83.20%	82.00%	78.40%	74.40%	84.90%	63.60%	73.00%	70.80%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.60%	100.00%

Access to financial inclusion

Through our responsible, sustainable and digitally enabled business model, we provide underserved communities with convenient and secure access to loan facilities.

Our digital platforms boost accessibility and drive economic growth by streamlining transactions, cutting costs and empowering customers with control over their finances.

From 2024, our subsidiaries are encouraged to offer female-centric financial products and/or services to promote gender equality, economic empowerment and entrepreneurship and drive positive social change.



Digital loan origination

Digital origination has become a standard practice in most Bayport operations, implemented with a focus on incremental efficiencies rather than radical changes. Our annual customer research has shown that customers highly value the improvements in convenience and speed.

Throughout 2023, there was notable progress in regulatory support and innovation to facilitate digital contracting and verification. This positive trend is expected to continue in the near future.

A significant milestone in 2023 was the completion of the digital platform for Zambia, which was launched early in 2024. During 2024, our focus will be on fully embedding the digital platform in Zambia and developing digital solutions for Botswana. This will ensure that Bayport is positioned as a fully digital origination business by 2025.

Uganda

In Uganda, we successfully rolled out the Digibay platform across 44 branches, using 179 tablets. This initiative led to an increase in digital loan applications, although some customers still prefer traditional channels. We continue with customer sensitisation efforts to highlight the benefits and importance of digital origination.

Digital originated loans as a % of total issued loans

	2021	2022	2023
Botswana	7.70%	14.70%	16.56%
Ghana	83.80%	89.00%	99.75%
Mozambique	76.10%	79.20%	68.53%
South Africa	100.00%	100.00%	100.00%
Tanzania	100.00%	100.00%	100.00%
Uganda	0.00%	3.10%	53.05%
Zambia	0.00%	0.00%	0.00%
Colombia	100.00%	100.00%	100.00%
Mexico	100.00%	100.00%	100.00%
Group-wide*	55.00%	68.50%	69.60%

Loan origination channels

2023	Call centre	Digital agent	USSD & WhatsApp	Paper	Total
Botswana	16%	0%	0%	84%	100%
Ghana	14%	86%	0%	0%	100%
Mozambique	0%	64%	0%	36%	100%
South Africa	35%	60%	5%	0%	100%
Tanzania	43%	0%	56%	0%	100%
Uganda	0%	53%	0%	47%	100%
Zambia	0%	0%	0%	100%	100%
Colombia	4%	96%	0%	0%	100%
Mexico	5%	95%	0%	0%	100%
Group wide*	12%	52%	6%	30%	100%

*South Africa excluded from group-wide number

Access to financial inclusion

Water and sanitation loan campaign

As part of our funding agreement with Water Equity, we launched a water and sanitation loan campaign across our African subsidiaries in 2023. This initiative received technical assistance from Water.org as it aligns with its mission to enhance access to clean water and sanitation.

In Mozambique, a strategic partnership was established with Construa, a local supplier of construction materials, to launch the 'Ruma a Uma Vida Melhor' (Towards a Better Life) campaign in June 2023. This collaboration focused on improving sanitary and hygienic conditions, in line with the commitment between Bayport and Water.org.



Bayport Mozambique entering into a strategic partnership with Construa as part of their 'Towards a Better Life' campaign.

A survey initiated by Water Equity in Q1 2023 among 1 250 customers in our African subsidiaries revealed that:

- Approximately 20% of customers who took out loans for housing purposes constructed water or sanitation facilities.
- 7% of loans were used for bathroom or toilet improvements, while 5% were used for water improvements. Flush toilets connected to a septic tank or pit were most often built.
- The average sanitation loan was USD2 265.
- The most common use of water loans was for piped water systems (59%), with an average loan size of USD1 337. The average loan size varied among countries, with Ghana at USD660 and Zambia at USD4 301.
- Borrowers in Ghana predominantly used their loans for water, sanitation and hygiene (WASH) purposes, focusing on flush toilets and piped water systems.

Loans for WASH purposes had a significant impact on the sampled customer base. Those who used loans for sanitation facilities largely improved their sanitation conditions, many transitioning from unimproved to safely managed facilities. The installation of new facilities reduced open-defecation rates to zero. Additionally, 85% of respondents who used loans for water improvements reported an increase in water availability, while 76% experienced better water quality.

In collaboration with Water.org, our learning and development team created three WASH modules that were made available to all staff in our African subsidiaries through our online learning portal (Bayport Academy). An impressive 84% of staff completed the modules, which intended to deepen understanding of the global water and sanitation crisis and Water.Org's objectives. The modules also unpacked why Bayport provides loans for water and sanitation improvement, and equipped staff to engage with customers on using Bayport loans for their water and sanitation needs. During 2024, we will



make the modules available to all our stakeholders through our online learning portal.

2X Challenge

The 2X Challenge, initiated in 2018 by the development finance institutions of the G7 countries, mobilises capital to empower women and promote gender equality in developing countries through projects that promote access to finance, entrepreneurship and job creation for women.

Bayport, as a recipient of funding from DFIs aligned with the 2X Challenge, has committed to offer products or services that address barriers to women's economic participation and success.

Currently, women represent 31% of our loan book, with Botswana leading at 46% and Uganda lagging at 20%. This indicates that men are more likely to take out loans and highlights the need for products or services tailored for women. In executing our 2X Challenge commitment, our goal is to match our customer portfolio to the gender diversity profile of civil servants in each market.

Customer protection

With financial inclusion and responsible lending as our guiding principles, we conduct our business to the highest standards of ethical and decent behaviour. This extends to the treatment of all who do business with us.

Customer protection certification

Bayport has endorsed the Client Protection Certification Standards, which ensure the protection of customer rights and information, the promotion of timely complaints handling and resolution and the financial education and stability of customers. The standards also outline the rights and responsibilities of our consumers.



A Bayport Botswana customer testimonial.

In adherence to these principles, we ensure our entities:

- Deliver products appropriate for our customers;
- Use non-aggressive sales techniques;
- Design processes to prevent customer over-indebtedness;
- Communicate openly and transparently with consumers;
- Offer market-based and non-discriminatory pricing;
- Treat customers fairly and respectfully;
- Protect customer privacy; and
- Maintain effective mechanisms for complaints resolution.

The Client Protection Principles align with Bayport's objectives of building strong relationships with customers, increasing customer retention and reducing financial risk. Our operations' ethical practices are assessed by a third party in areas related to fair lending, responsible marketing and avoiding conflicts of interest.

We implemented a systematic programme for all our majority held entities to achieve customer protection accreditation. In 2023, six of our subsidiary operations were assessed by MFR towards client protection certification (CPC). Bayport Colombia, Ghana and Mozambique attained gold-level CPC, while Mexico, Tanzania and Uganda achieved silver certification. They joined Botswana and Zambia, which received gold certification in 2022. Presently, 62.5% of our operations are gold-certified, with the remaining 37.5% holding silver certification.

Consumer protection training

In 2023, 74% of staff and agents across our wholly owned operations participated in consumer protection training presented on our e-learning platform. The module created awareness of consumer protection within financial services by highlighting the rights and obligations of both consumers and financial institutions. Explaining the eight core consumer protection principles, the module equips our staff to navigate the landscape of responsible financial conduct.

Anti-competitive behaviour

Our commitment to responsible lending extends to actively promoting competition and transparency in our products and customer interactions. We believe that a competitive marketplace contributes to financial inclusion and improves affordability.

We have implemented policies and practices for handling customer settlements, which is a significant aspect of anti-competitive behaviour in our industry. We closely monitor our settlement processes to ensure compliance with the subsidiary customer protection charters.

Responsible labelling and marketing

Transparency and accountability are cornerstones of responsible lending. In our operations, these practical measures are in place:

- Loan contracts and marketing materials are provided in local languages.
- Before signing any contract, borrowers receive a document that summarises key facts related to the transaction, including loan term and fees.
- Loan agreements highlight the cooling-off period, direct debit mandate, credit life insurance, consequences of late payments and defaults and conditions related to early settlements.
- Basic product information, including pricing, is published at branch or agent locations, digitally and/or in newspapers, as required by regulatory authorities.

There have been no incidents of non-compliance concerning product and service information and labelling, nor have there been any issues with marketing communications within the Group during the reporting period.

Customer protection

Complaints resolution

All customer complaints are promptly and efficiently handled and resolved in accordance with each operation's customer handling policies.

All complaints are centrally monitored and recorded, allowing for easy retrieval of information for reporting and analysis purposes. Detailed registers are maintained to document the number of complaints received and resolved. Consumer correspondence is promptly reviewed, and complaints are identified and investigated competently, diligently and impartially.

Periodically, management teams review the complaints registers and a summary of the findings is submitted to the board audit, risk and compliance committees on a quarterly basis.

In 2023, the number of customer complaints received across the Group (excluding SA) amounted to 6% of the customer base, representing a decrease from the 9% recorded in 2022. The resolution turnaround time improved from an average of 5.5 days in 2022 to 5 days in 2023.

Our commitment to upholding consumer protection principles was solidified with the signing of customer protection charters by our opco boards. These charters outline policies, products and service level agreements (SLAs); and are prominently displayed at all physical sites.



Over-indebtedness. Fraud. Identity theft. These are all things that can happen to our customers if we don't do all we can to protect them and their data.

Customer protection starts with the thinking behind product design and ends with resolving complaints – every step of the customer's journey with us entails protection mechanisms. These include treating our customers fairly, transparently and with respect, and behaving ethically at all times. It's the only way to build trust and, ultimately, grow our business.

Because of the business Bayport is in, every Bayporteer must be aware of customer protection and play his or her part in it. This is why all of us must complete the training module on consumer protection that is now live in the Bayport Academy. Click [here](#) to go straight there.

It's only 12 slides and a short assessment, so it won't take you long to complete this important task.

Let's do it – for the sake of our customers *and* our business.



PS: It's also essential information for you as a customer of financial services providers!

CLICK HERE to complete the CONSUMER PROTECTION MODULE.
Closing date: 30 September 2023

All e-learning modules are supported by a communications campaign across multiple internal channels to reinforce the desired learning outcomes.

Financial awareness and wellness

Our approach to customer engagement goes beyond the transactional; it includes a commitment to enhancing financial literacy and fostering long-term relationships. We believe that financial wellness is a crucial aspect of our ESG strategic outcomes.

In 2023, we intensified the promotion of financial literacy to customers and staff through various channels, including social media, online platforms and face-to-face training sessions.

By the end of the reporting period, 75% of our operating countries offered free access to our online financial literacy content. Through the Bayport Academy, our e-learning platform, individuals can access financial literacy content to help them manage their personal finances more effectively. The platform is designed to be shared with families and communities.

In July 2023, we launched the Bayport Academy financial literacy modules in Uganda. Having successfully rolled it out to staff across all branches, we unfortunately encountered challenges in extending access to customers with limited or no access to emails. We have developed plans to address this issue in 2024.

Zambia

Bayport Zambia actively participated in Financial Literacy Week, aligning with the 2023 Global Money Week theme: "Plan your money, plant your future". The operation set up exhibition stands in Solwezi and Lusaka, along with helpdesks in all branches, to promote financial literacy among customers. Additionally, Bayport Zambia donated t-shirts to underprivileged children, demonstrating its commitment to financial education and social responsibility.



Bayport Mozambique hosts a financial education forum for the Mozambique Republic Police.

In Mexico, we launched a financial wellness portal for customers in November. This portal, promoted by our customer service and call centre teams during engagements with customers, offers free online financial education courses, and customers can earn a diploma upon completion.

The development of Mozambique's financial literacy portal via the Bayport Academy was finalised in December, with the launch set for Q1 2024. In the interim, in 2023, Mozambique conducted a range of financial education initiatives, including in-person financial education forums in public institutions and various financial wellness engagements in partnership with employers.

Bayport Mozambique also conducted savings campaigns in 11 schools, reaching 500 children, and financial literacy sessions

at public institutions, such as the Ministry of Interior, with 132 participants. Additionally, the operation participated in a financial management podcast.

In Tanzania, development commenced in Q4 2023 with a review of the Bayport Academy module's content. Our 2024 plan includes implementing the financial modules on our e-learning platform in Ghana and Zambia, bringing us closer to our goal of group-wide implementation of online financial literacy modules by 2025.

With these initiatives we hope to equip customers, as well as prospective loan applicants, with the necessary tools to better understand loans, make informed borrowing decisions and effectively manage their financial resources.

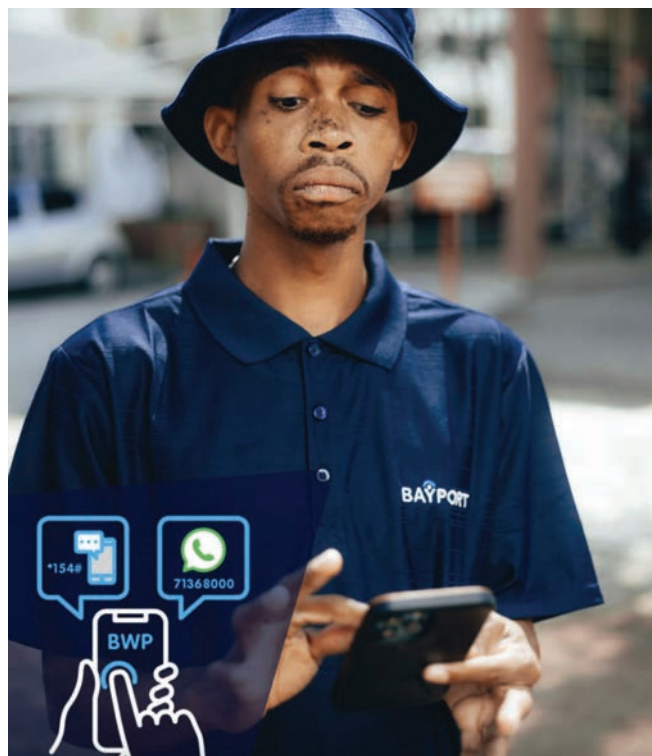
Product quality and sustainability

2023 Sagaci Research survey results

We have partnered with Sagaci Research, a prominent market research firm in Africa, since 2019 (excluding 2020) to conduct annual surveys of our customer base across Africa (excluding South Africa).

These surveys gather detailed insights into:

- How our customers use their loans.
- Customers' use of technology and internet connectivity.
- Customers' perception of Bayport.
- The need for financial literacy among our customer base.



Importantly, the surveys also measure our net promoter score (NPS).

In its review of 2023, Sagaci conducted 1 527 telephonic interviews in six countries: Botswana, Ghana, Mozambique, Tanzania, Uganda and Zambia.

• Choice drivers and loan usage

Pricing, including interest rates and fees, loan size and variety of loans, have traditionally been significant factors influencing customers' choice of a loan provider, but their importance has declined from 57% in 2022 to 48% in 2023. This suggests that other factors, such as ease of access and convenience, are becoming more influential in customers' decision-making process.

Customers in Ghana, for example, already prioritise ease of access (speed of disbursement and convenience), with 46% considering it the most important factor. This shift in priorities may indicate a growing demand for more efficient and customer-friendly lending practices.

Customers borrowing from other providers report their top loan uses to be housing/home improvement (44%) and paying for education (29%). A similar trend is evident with Bayport customers, with education (30%) and housing/home improvement (25%) topping the list. This highlights potential opportunities to tailor our offerings even more to meet these specific needs more effectively.

• Bayport perception

Ease of use remains a key factor driving customers to choose Bayport, indicating that efforts to simplify processes and enhance customer experience are effective. This focus on ease aligns with financial inclusion principles, ensuring services are accessible to a wider range of customers.

Brand perception is crucial, which highlights the importance of maintaining a brand reputation that positively impacts trust and loyalty.

Physical locations are still important for customers and remain the preferred channel for loan applications, despite a decline since 2021. This suggests that while digital channels are growing, many customers still prefer in-person interactions. Tailoring service delivery channels to meet these preferences is essential.

Agents are becoming more popular in Mozambique and Ghana, indicating a preference for the convenience and personal touch they provide. In Tanzania, where the business is fully digitalised, the call centre is preferred, emphasising the need for diverse channels to cater to different preferences.

Satisfaction scores on loan processing time and application process indicate customers are generally pleased with the speed and efficiency of our services.

The gradual increase in customers likely to recommend Bayport, with NPS improving from 18 in 2019 to 35 in 2023, suggests growing overall customer satisfaction and loyalty. The decline in detractors since 2021 further demonstrates that efforts to enhance services are yielding positive results.

• Technology and internet usage

Smartphone ownership has increased steadily from 63% in 2019 to 80% in 2023. Botswana and Zambia report the highest ownership rates at 95% and 94% respectively, while Uganda has the lowest at 52%.

Smartphones remain the most common device for internet access across all countries, with over two-thirds of customers

Product quality and sustainability

using them. This underscores the importance of mobile-friendly digital platforms and services in reaching and engaging customers.

The percentage of non-internet users has decreased from 30% in 2019 to 16% in 2023. As customers mostly use the internet to gather information, all our operations should focus on making accurate and relevant information easily accessible through digital channels.

WhatsApp (84%) and Facebook (65%) are the most commonly used social media platforms, surpassing formal channels such as email (44%).

Confidence in using digital channels has steadily increased since 2021, reaching 63% in 2023. The use of digital channels for taking out loans has increased from 17% to 23% over the same period. This suggests that customers are becoming more comfortable with digital banking and are increasingly relying on digital channels for their financial needs.

• Financial literacy and education

More than 80% of customers reported to be well informed about the different aspects of their loan, such as access awareness (87%) and understanding of loans terms and conditions (84%). This is a gratifying indication that our efforts to educate customers about their loans are effective.

Some 79% of customers would be open to put financial wellbeing tools to the test, as only 32% currently have access to such tools. This indicates a growing interest among customers in improving their financial literacy and managing their finances more effectively.

In response to the survey results, Bayport Mozambique has already hosted refresher training sessions for agents



The Bayport Ghana sales team attending a training durbar.

to bolster their grasp of credit agreement terms and other pertinent subjects.

Internal NPS

The implementation of independent quarterly NPS assessments across the opcos has led to a positive trend in internal NPS throughout 2023. This improvement is attributed to personalised service, enhanced loan processing, reduced disbursement times and improved sales agent service, all resulting in fewer customer complaints about delays.

In Ghana, the significant improvement in NPS can be directly attributed to expedient loan disbursement and comprehensive service standards training for the sales team that has elevated

service delivery and customer satisfaction levels. Similarly, Tanzania's introduction of a dedicated quality assurance team in the call centre process and phasing out the field agent channel, has contributed to an overall improvement in NPS.

In Mexico and Colombia, the implementation of automated, independent NPS measurement through Qualtrics has made NPS surveys at main customer touchpoints, including welcome calls, requests, settlements and insurance claims possible. In Colombia, integrating WhatsApp into the Qualtrics tool for NPS surveys, particularly focusing on the welcome campaign, has improved customer engagement. Real-time survey delivery is also under development to further enhance the customer experience.

Product quality and sustainability

Customer engagement

Subsidiaries regularly hold engagement sessions to bridge the gap between management and customers, provide training on loan cycles and the use of our digital platforms, and clarify repayment obligations. These sessions are crucial for promoting financial literacy and empowering customers to make informed decisions, aligning with our commitment to responsible lending and financial inclusion.

Colombia

Bayport Colombia launched Bayport LAB, a space for interdisciplinary co-creation and innovation. The inaugural project, 'In touch with our customers,' aimed to create a customer-centric experience by leveraging Bayport's culture and customer knowledge.

Additionally, to enhance customer experience, streamline interactions and improve efficiency, we implemented CRM enhancements across our operations.

In Colombia, for example, a chatbot has been introduced in the interest of responding faster to customer queries and enhancing overall service delivery.

Employer engagement

Our operations participate in CEO-led employer engagement and relationship building campaigns. 2023 saw a significant increase in executive engagement with employers, jumping from 219 engagements in 2022 to 475.

These engagements are critical in building relationships that are mutually beneficial and to address operational matters such as collections and administration.

Botswana

The Bayport Botswana executive team engaged in road shows to bolster relationships with employer groups to improve sales and collections, attract new customers and address branch-level challenges.

Tanzania

In Tanzania, our loan-reinstatement campaign boosted executive engagement with employers and resulted in the resubmission of loans to the government payroll. This reduced daily loan drops and improved capture rates. Bayport Tanzania is furthermore collaborating with the Ministry of Public Service to include a digital loan component in the ministry's digital employee self-service platform.

Fase 01

Re
Research
investigación

Aquí conocemos a nuestros clientes en su **complejidad y humanidad**. Algunas de las herramientas que usaremos son:

- ✓ Social sensing y analítica cuantitativa
- ✓ Investigación etnográfica
- ✓ Creación de arquetipos
- ✓ Levantamientos de journeys "as is"

Bayport lab

Fase 02

De
Design
diseño

Aquí la **ideación y la creatividad**, serán protagonistas.

En este fase realizaremos:

- ✓ Laboratorios de ideación
- ✓ Prototipos de diseños y soluciones

Bayport lab

Fase 03

Ex
Execution
ejecución

Ahora, llevaremos nuestra investigación y diseños a la realidad, con una etapa de **implementación y control**, donde hacemos:

- ✓ Marcación de arquetipos
- ✓ Implementación evolutiva de los journeys "to be"
- ✓ Evaluaciones integrales de la experiencia del cliente

Bayport lab

The Bayport LAB research initiative launched by Bayport Colombia is a space focussed on building solutions based on the needs of their customers through co-creation.

Customer testimonials

Bayport's commitment to financial inclusion and responsible lending is evident in the positive impact it has had on the lives of its customers. Here is just a snapshot.



Dr Geoffrey Kazaisaki, with support from Bayport loans, founded a medical centre in Uganda, which now generates over UGX20 million monthly and provides high-quality, affordable care. Starting in a rented space, he has expanded to owning land and constructing a modern facility. His centre, which offers specialised wards and essential medical services, not only improves community health but also boosts local employment with over 20 staff members. Dr Geoffrey's success story exemplifies the profound impact of financial support on community health and economic growth.



Primary school teacher Devota Bikulako appreciates the convenience of Bayport Tanzania's digital loan application process. She used her first loan, applied for at a branch several years ago, to start a women's clothing business. Prompted by a Bayport advert, she tried the digital route when wanting a second loan. "I found the system to be incredibly efficient and convenient." With the latest loan Devota opened a hair salon that has grown into a significant source of income, covering her household expenses and her children's school fees.



John Bernate commends Bayport Colombia for "reactivating my credit life". With his Bayport loan he could settle his debts and is now building a positive credit record.

Customer testimonials



With his loan from Bayport Tanzania, teacher Patrick Anthony Kahama opened a restaurant that his wife manages. Serving breakfast, lunch and dinner to people using a busy road, the business provides a valuable service to the community, while generating the additional income the Kahamas need for their children's education. "I applied for the loan from my mobile phone using the USSD function and received the funds within 24 hours."



Esperança Gilberto Cumbana, a 27-year-old single mother with a 3-year-old son, is a police officer but needed to supplement her income. In November 2023 she applied for the first time ever for a loan. Bayport Mozambique approved her application and she used the funds to open a hairdressing salon and to buy land on which to build her own home. "I was impressed by Bayport's efficiency in processing my request."



Sara Mustafa is a single mother of eight children. Despite having a good job, she needed money in 2018 to cover her eldest daughter's wedding expenses. Impressed with Bayport Mozambique's customer service, she contacted the business a year later for a top-up loan to deal with a family emergency. "I find Bayport's service friendly, attentive and flexible."

Customer testimonials



By consolidating her debts, Bayport Botswana lightened Kefilwe Motsomatshekudu's financial load and helped her to feel empowered to take control of her finances. Through the partnership, Kefilwe not only acquired reliable transportation but also gained confidence in her ability to manage her assets effectively.



For Milena Diaz, Bayport Colombia's customer service stands out. "I am an older lady with no education, so I need everything to be explained to me. The agent explained everything to me with great patience."



Game Keadire's journey with Bayport Botswana started six years ago when she took out a housing loan to first buy land. She refinanced her loan later to purchase building materials and is moving ever closer to realising her dream of a completed home.

Customer testimonials



Bashiru Imoro enjoyed Bayport Ghana's seamless and stress-free loan process. "What impressed me the most was the fact that I was able to quickly request and get a settlement quotation before deductions started on my pay. I believe Bayport should keep this up as I have shared my experience with other colleagues."



With Bayport Ghana's support, teacher Rashid Mohammed Turee built his own apartment and established a successful business. "The loan process is very easy as there is no paperwork, everything is digital and transparent."



Josephine Chilufya leveraged her Bayport Zambia loan to start a poultry business, rapidly growing from 1 to 2 rooms with 180 chickens. Thanks to this venture, she significantly enhanced her family's income, underscoring the impact of our transparent and responsible lending. Her success not only provides for her family but also strengthens community economic empowerment, demonstrating the transformative power of financial inclusion.

Economic contribution to society

In 2023, Bayport's commitment to community engagement and social impact concentrated on long-term initiatives that would have a significant and lasting impact in the areas of education, health, environmental conservation, infrastructure and SME development.

Across the group, 63 CSI initiatives were implemented, with over USD125 000 invested in community projects.

Key indicators	Total
Number of projects/ initiatives supported	63
Number of beneficiaries reached through projects/ initiatives	18 143
Total CSI spend (USD)	129 395
% of CSI spend on education	41%
% of CSI spend on health	11%
% of CSI spend on infrastructure development	3%
% CSI spend on environmental initiatives	11%
% CSI spend on SMEs	11%
% CSI spend on other community initiatives	23%
CSI spend as a % of net profit after tax (NPAT)	0.73%

Partnerships with government entities have enabled Bayport to collaborate on various projects, including financial literacy and wellness programmes, scholarship initiatives and environmental conservation efforts.

Education

Bayport Ghana donated 200 dual desks to two primary schools and hosted financial literacy and career guidance workshops for over 3 000 students in two senior schools.

The operation also gifted projectors and screens to several schools. To mark World Charity Day, our employees in Ghana donated 30 laptops, food items and clothes, and the business awarded a full tertiary education scholarship.



Bayport Tanzania donated 30 computers, 30 desks, speakers and TV screens to two secondary schools, as part of its 'Valuing Education Through Technology' initiative. This collaborative effort with Airtel Tanzania and the Tanzania Institute of Education aims to integrate technology into education to provide students with an enriched learning experience. Airtel provided free internet access to the schools and the Tanzania Institute of Education supplied a digital learning module that covers various subjects and past examinations from the government syllabus.

Bayport Mozambique sponsored the Machel Fidus Association's 'One gesture, one smile' project, which improves conditions for rural schools in the Gaza province. The investment supports the setup of IT classrooms, promotes sustainable initiatives and enhances school infrastructure. The business also runs financial education sessions for young people on an ongoing basis.

Bayport Uganda participated in the NSSF Kampala Hills Run that raised funds to renovate classrooms, upgrade sanitation facilities and establish digital labs in public schools.

Economic contribution to society

Bayport Botswana delivered essential toiletries to a secondary school, benefiting over 1 500 boarding and underprivileged students, and contributed to a college fundraising walk.



Bayport Zambia donated feminine hygiene products to six rural schools, benefiting 900 underprivileged female pupils, under its 'Girl Child Empowerment & Education' initiative. The company's partnership with the Higher Education Loans and Scholarship Board (HELSEB) saw the awarding of four-year scholarships to 11 vulnerable University of Zambia students.



Health

Bayport Colombia collaborated with the Make a Wish Foundation to fulfill the dreams of five children with critical illnesses and bring joy and hope to their lives. Working together, **Bayport Ghana and Uganda** raised awareness about prostate cancer through SMS messages and social media platforms, offering free screenings to customers.



Bayport Tanzania volunteers celebrated International Women's Day with underprivileged children at Muhimbili National Hospital. The company also donated USD5 880 to enable medical treatments for women with children.

Bayport Mozambique sponsored the launch of the Mozambique Gymnastics Federation's second-semester programme for children and young students in Maputo, Beira and Nampula. The operation also successfully executed its second blood donation campaign in collaboration with SENASA, the national blood service, and sponsored SENASA's celebration of World Blood Donor Day.



Bayport Uganda commemorated World Malaria Day with financial support for the efforts of the Bugiri District Local Government and the Ministry of Health to combat malaria and support affected communities.

Economic contribution to society

Bayport Zambia donated building supplies towards the renovations at the Zambia National Service New Urban Masala Clinic maternity ward.



Environment

- **Water and energy initiatives**

Bayport Mozambique installed automatic switches for air conditioning and lighting at its headquarters. 80% of lights are low-consumption LED and motion sensor lights were installed in the car park. LED bulbs were also installed in five branches, with plans to extend this to all branches. Awareness campaigns were conducted to encourage employees to switch off lights and electronic equipment when not in use.

As of end 2023, 87% of light bulbs used in **Bayport Zambia** were energy efficient, contributing to energy conservation and improved environmental standards.

Bayport Colombia launched the 'Guardians of the Water' initiative with CAR to reduce water consumption in employees' homes and clean the Teusaca River watershed near Bogota. Furthermore, Bayport Colombia implemented a programme to monitor energy, water, paper and toner consumption across all premises.



- **Paper consumption and waste management**

Bayport Botswana reduced printing costs by 37% year-on-year by printing documents in black and white instead of colour. Recycling Waste Solutions was engaged for paper waste management, while the business explores partnerships for handling other waste materials.

Bayport Tanzania launched a paperless credit initiative to promote digital lending and environmental sustainability. In addition, the business reduced printing-associated costs by 67% through internal paperless campaigns.

All operations implemented electronic meeting packs, which significantly reduced printing associated with board and committee meetings, and limit printing for physical archiving to meeting local regulations.

Bayport Mozambique contracted Recolixo to render waste recycling services at its head office. Some 195kg of waste was successfully recycled and upcycled into new products for sale. The proceeds were used to improve Recolixo's equipment and empower its workforce. Mozambique also began tracking the use of paper, water and energy at its head office and branches, with reporting and awareness campaigns starting in Q1 2024.



- **Climate and natural environment**

Following the devastation caused by Hurricane Otis, **Bayport Mexico** redirected its CSI efforts to provide essential supplies to victims.

Bayport Zambia partnered with Plant A Million Trees Zambia to plant 1 000 trees with employees and distributed 700 medicinal and nutritional trees to staff for planting in their homes and communities in Q3.

Bayport South Africa participated in Nelson Mandela International Day by partnering with Food and Trees for Africa. Bayporters donated towards the buying and planting of 67 trees in three community garden projects.

Economic contribution to society

Bayport Tanzania launched its '1 Million Trees' campaign, which is part of its paperless credit initiative, by planting 1 000 trees with support from local government officials, Bayport volunteers and primary school students. In the Serengeti, the operation planted 500 fruit trees with support from local government officials, aiming to raise awareness and engage the local community in environmental conservation efforts.



Under the 'Bayporteer Voluntário' volunteering project in **Mozambique**, Bayporters donated non-perishable products for flood victims in Boane and delivered the products to one of the resettlement centres.



- Animal Welfare**

Bayport Colombia initiated a sponsorship and volunteer programme with the Corazon Peludito Foundation, which rescues abandoned animals.

Bayport Mexico staff organised a visit to an animal shelter to donate food, toys and cleaning materials for dogs and cats and participated in cleaning and caring for the animals.



Colombia

In 2023, Bayport Colombia launched Bayport Sostenible, a collaborative initiative involving the HR, internal communications, marketing and ESG teams. This programme manages all CSI and ESG-related initiatives, aiming to position Bayport Sostenible prominently among Colombia's Bayporters

Bayport Sostenible focuses on raising awareness about ESG issues and fostering a spirit of collaboration, commitment, solidarity and positive energy among employees and their families. The goal is to become a more environmentally conscious company committed to transparency and impactful stakeholder engagement. Bayport Colombia exemplified innovative community outreach by dedicating 1 299 volunteer hours to organisations, including Corazon Peludito, Corporacion Autonoma Regional (CAR), SENA and the Make a Wish Foundation, without additional CSI spending.

11

Our people

2023 highlights

- 57% female workforce.
- 37% female representation in executive management. 44% in middle management.
- 60% YOY increase in employee training hours, coinciding with the successful launch of the Bayport Academy, our group-wide e-learning platform.
- USD237 000 training spend.
- Initiated the Alison Kay Blanchard Mentorship Programme for Women.
- Bayport Colombia ranked the 18th best place to work and 8th best place to work for women by the Great Place to Work Institute (companies with more than 300 employees).
- Bayport Mexico recertified by the Great Place to Work Institute.
- Bayport Ghana recognised as an “authentic caring employer” at the Employee Assistance Programme Africa Summit.



60%

**YOY INCREASE
IN EMPLOYEE
TRAINING HOURS**



Bayport Uganda CEO, Maureen Kayifesi, celebrates the end of 2023 with her Bayporters.

Material topics

“ We aspire to be a top employer in our category. To achieve this, our employee value proposition (EVP) emphasises a high-performance culture and fosters a sense of belonging to the Bayport family. ”

Material issue	Key area of impact	Strategic KPIs	2022 Results	2023 Results	2025 Target
Diversity, equity and inclusion	Local, diverse, equal teams	% female – total	56%	57%	≥40%
		% female – executive management	38%	37%	≥30%
		% female – middle management	-	44%	≥40%
		Gender pay gap	-	33%	Decreased gap
		% executive management from local community	90%	91.7%	95%
Talent attraction and retention	Talent attraction, retention and development	Total voluntary attrition	23%	18%	<20%
		Average learning hours/employee	15	24	≥20
Employee engagement	Employee welfare and empowerment	Number of open townhalls per year	54	63	40
		eNPS	20	-	≥25
		eNPS participation	86.6%	-	90%
		Group-wide cultural assessment every 1.5 years	100%	-	100%
		Top employer accreditation (across operations)	25%	25%	75%

Employee profile

Demographics	Botswana	Ghana	Mozambique	South Africa	Tanzania	Uganda	Zambia	Colombia	Mexico	BML + BIGS	Group
Full-time employees vs agents											
• Total full-time employees	129	223	157	596	63	101	374	308	853	92	2 896
• % female	65%	42%	38%	62%	49%	40%	46%	69%	63%	43%	57%
• Total agents	249	786	806	356	117	311	N/A	1 094	67	N/A	3 786
• % female	67%	34%	36%	75%	40%	49%	N/A	64%	61%	N/A	51%
Local vs international hire at Exco level – Executive management from local community											
• Total executive managers	7	3	3	7	4	5	3	12	6	10	60
• Locals	7	3	2	7	4	5	3	12	5	7	55
• Foreigners	0	0	1	0	0	0	0	0	1	3	5
• % local hire	100%	100%	67%	100%	100%	100%	100%	100%	83%	70%	91.7%
New employee hires vs employee turnover											
• Total full-time employees	129	223	157	596	63	101	374	308	853	92	2 896
• New hires	27	30	26	56	7	48	75	126	757	12	1 164
• Leavers	14	45	28	89	16	30	72	123	830	17	1 262
• Turnover %	12%	19%	21%	17%	21%	34%	19%	38%	90%	17%	44%

Key human capital policies

Our employees are central to our success, and we support them to thrive professionally and personally with a focus on employee wellbeing, gender diversity, continuous learning and retention strategies.

Progress on group human capital standards

The following group policy standards were approved by the BML board in 2023 for adoption by all our operations:

- Discrimination and harassment policy standard
- Gender policy standard
- Job protection and retrenchment policy standard

Human rights

Our commitment to uphold human rights is central to our operations, and encompasses our workforce, supply chain, customer base and communities where we operate. We are dedicated to ensuring that every individual is treated with dignity and respect, both internally and externally. Our focus is on identifying, preventing and mitigating any adverse human rights impacts stemming from our business activities. We expect our business partners to adhere to the same principles and encourage them to develop their own standards in alignment with ours.

Our approach to human rights is guided by international principles, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the ILO Core Conventions and Basic Terms and Conditions of Employment.

To safeguard human rights within our operations, we have implemented robust internal policies and procedures. These are reinforced through internal training programmes, risk-based audit initiatives and formal grievance mechanisms that enable employees to report violations or grievances without fear of reprisal. Our independent ethics reporting line provides a



Bayport Colombia's 'Programa Peludito' (furry programme) invites Bayporters to bring their fur babies to the office on designated days.

confidential channel for stakeholders to report any malpractice or misconduct, ensuring accountability and transparency.

Two founded incidents related to misconduct were reported via our EthicsPoint platform during 2023. One incident had no association with a Bayporter, but the other resulted in disciplinary action (one warning and two employee dismissals), as well as training and awareness initiatives.

In 2023, we conducted mandatory training on industrial relations and labour law for 100 employees in Botswana to enhance employees' understanding of their rights and the fundamentals of employee-employer relations, including disciplinary and grievance procedures, work ethic and workplace discrimination.

Remuneration policy

We comply with all relevant labour and employment laws, including those concerning salaries, work hours, overtime and benefits, in every region where we operate. Aligned with our business performance, we provide bonuses and implement salary increases to recognise and reward our employees.

The remuneration group standard provides for inflation-based annual salary increases to all eligible employees, based on a standardised methodology that considers published inflation rates from the previous year and forecasted rates for the year ahead. All country-specific proposed inflation-based increases are rigorously reviewed before being submitted for approval to the Group Exco, group human capital executive, and Group Remuneration Committee to ensure consistency in the application of the group policy standard.

Key human capital policies

Fixed base-salary increases are solely based on inflation, with performance reflected in variable compensation components only. We do not pro-rate salary increases, and the full inflation increase percentage applies to all eligible employees.

Employees who joined the business or received an interim salary increase after 1 January of the review year are not eligible for a salary increase.

In cases where salary adjustments that differ from the inflation-based increase percentage are deemed necessary, these adjustments are made to ensure both internal and external alignment and to reflect changes in qualifications and/or job functions, responsibilities or role. Such adjustments must be approved by a member of the BML Group Exco together with the BML group human capital executive.

Employee value proposition

We aspire to be a top employer in our category. To achieve this, our employee value proposition (EVP) emphasises a high-performance culture and fosters a sense of belonging to the Bayport family.

Working conditions

- We have adopted a flexible hybrid-work framework that each operation can tailor to suit its operational needs and local context.
- The absenteeism rate across the group in 2023 was 4.7%.

Benefits

We uphold fair and just working conditions that reflect that we value and respect the rights of our employees. Our aim is to cultivate a discrimination-free work environment. Fair labour practices that are aligned with or surpass local market requirements and standards are central to Bayport's value proposition.

We offer a range of competitive benefits that are relevant to local markets, customs, practices and culture to attract and retain employees.

Core benefits remain consistent across the Group, even if local conditions, collective bargaining arrangements, or legislative requirements may necessitate fewer benefit offerings by country. We ensure that benefits are regulatory and tax compliant in every jurisdiction, while our group EVP standard ensures fairness and equity across employee groups, from general staff to executives.

Core benefits

Our group EVP standard lists the following core benefits for all employees:

- **Leave standards:**
 - **Annual leave:** minimum of 15 days or local legislated annual leave allocation.
 - **Family responsibility leave:** minimum of three days' paid family responsibility leave per year.
 - **Maternity leave:** minimum of three months fully paid maternity leave for employees with at least 12 months of service. Employees on maternity leave remain eligible for full participation in the annual remuneration review cycle.
 - **Paternity leave:** minimum of 10 days fully paid paternity leave for employees with at least 12 months of service.
 - **Sick leave:** employees receive a minimum number of sick leave days at full pay, as mandated by local laws.
- **Localised group standard benefits:**
 - **Retirement fund:** a compulsory benefit for all Bayport employees, adapted by each country to align with local standards.
 - **Group life insurance:** a compulsory benefit covering death and funeral benefits, disability income protection and dread disease and illness benefits.

- **Employee wellness benefit:** ensures psycho-social wellness through a reputable independent provider for all Bayport employees.
- **Group medical scheme:** a compulsory benefit for all Bayport employees to safeguard their health.

Non-core benefits

These optional benefits are available to specific employee populations as needed and include short-term incapacity leave, sabbatical leave, study leave, additional vacation leave, recognition leave, unpaid leave, long-service awards, study reimbursement/study assistance and time off in lieu of overtime worked.



South African Bayporters have fun at one of the stalls at the relaunch of the Bayporter Value Proposition (BVP).

Key human capital policies



An aerial view of activities during the relaunch of the Bayporteer Value Proposition (BVP) in Bayport South Africa.

Diversity, equity and inclusion

In pursuit of diversity, equity and inclusion (DEI), we value different perspectives and actively promote gender equality. We strive to reflect the full diversity of our customers and employees and our services are designed to be accessible to all citizens based on need.

We respect individuals regardless of their background. Equal opportunities are also a guiding principle in our work with partners.

The goal that our workforce must reflect the community we serve is realised through our equal opportunity policy. We welcome qualified personnel regardless of ethnicity, race, culture, age or religion. To prevent conflicts of interest, we discourage the employment of relatives and have policies in place regarding the appointment of family members. Our appointments are based on transparent human resource management procedures, free from political interference, favouritism, tribalism or religion.

Gender

Bayport promotes women's empowerment and gender equality in our policies, procedures, core businesses and product lines, as well as in the communities we serve. We acknowledge that stereotypes and cultural and social norms may hinder women and men from exercising free choice and taking full advantage of opportunities for development and reward.

Therefore, we strive for equality within the Group through human resource management and organisational culture. Additionally, we promote these values in the communities we serve through our corporate social investment programmes and by providing equal access to our products and services.

Aligned with the 2X Challenge, we have set gender diversity targets and established action plans to support and advance



Colombia Bayporters during a training session.

gender representation and equality. As of the end of 2023, 57% of our workforce was female, exceeding our gender target of 40%. However, we acknowledge that 37% female representation in executive management and 44% in middle management is not enough.

When looking at female representation at executive management levels in the context of the 2X Challenge and associated ESG targets, we are currently below the required 30% in Mozambique and South Africa.

To address this gap, both countries have developed intentional, realistic succession and development plans to prepare up-and-coming female talent for future executive leadership roles. Group Human Capital will continue to review and report on progress against these plans.

Pay equity

Bayport's minimum salary levels exceed minimums legislated in all the countries where we do business, and we align our remuneration packages appropriately and competitively with the market through ad-hoc benchmarking.

Internal pay equity (equal work for equal pay) is maintained and monitored through the annual remuneration review cycle.

- Gender pay gap ratio (male remuneration: female remuneration): 33%
- Total pay gap ratio (highest paid: lowest paid): 12.7%

Discrimination and harassment

We maintain a work environment that upholds dignity and respect for all individuals. We strictly prohibit discrimination based on race or colour, political or other opinion, religion, gender, sexual orientation, age, nationality, ethnicity, social origin, health or disability and/or marital status in all our business activities, including recruitment, advertising, sales and complaints management practices.

We have a zero-tolerance policy for disrespectful or inappropriate behaviour, unfair treatment or retaliation of any kind, regardless of personal characteristics or status. Harassment in the workplace or work-related circumstances

Diversity, equity and inclusion

	Botswana	Ghana	Mozambique	South Africa	Tanzania	Uganda	Zambia	Colombia	Mexico	BML + BIGS	Group
% of women in executive management (target 30%)											
• Executive management total	7	3	3	7	4	5	3	12	6	10	60
• 2023	43%	33%	0%	14%	50%	60%	67%	42%	33%	30%	37%
• 2022	29%	33%	0%	0%	50%	40%	100%	100%	0%	38%	38%
% of women in middle management (target 40%)											
• Middle management total	14	52	30	93	17	6	65	26	18	24	345
• % female	71%	17%	33%	47%	35%	67%	55%	54%	50%	46%	44%

outside the workplace is unacceptable under all and any circumstances.

All individuals associated with Bayport, including the board of directors, employees, customers, suppliers, interns, apprentices, persons on learnerships, volunteers, contractors and anyone else dealing with us as a business, must refrain from discrimination and harassment. Employees found to have harassed a colleague, work associate, job applicant or any other person associated with Bayport are subjected to appropriate disciplinary action, which may include dismissal.

In 2023, our EthicsPoint reporting platform received and investigated six allegations of discrimination, resulting in one

founded report. Corrective actions included disciplinary action, training and awareness initiatives for all employees (including senior management), as well as active engagement with those affected to implement appropriate remedial action aligned with the corrected business process.

In Mozambique, Bayport launched the 'Ambassador of Bayport Culture' programme by appointing a group of dedicated Bayporters as torchbearers of our organisational culture. These ambassadors serve as a nucleus of communication in the company, aiming to amplify our values, enhance our corporate image, elevate the organisational climate and proactively propose initiatives that improve job satisfaction and organisational communication.



Neidy Honwana is a Bayport culture ambassador at Bayport Mozambique.

Talent attraction and retention

Recruitment

We promote equal opportunity, diversity and non-discrimination throughout our recruitment process. We strictly prohibit the use of forced or child labour and human trafficking in all our operations. Our Human Capital team oversees all recruitment activities, employing methods such as competency-based questions, panel interviews and assessments tailored to specific role requirements. Additionally, all appointments are contingent upon criminal and risk assessments to ensure the safety and security of our workforce. In 2023, we welcomed 1 164 new hires to the group.

We prioritise staff retention by offering opportunities for career development and advancement. To this end, we actively advertise vacancies internally where appropriate.

Learning and development

In 2023, we allocated USD237 399 to learning and development initiatives. Our average staff training hours per annum rose by 60%, increasing from an average of 15 hours in 2022 to 24 hours in 2023. The introduction of the Bayport Academy and mandatory training programmes such as fraud awareness, information security, consumer protection and occupational health and safety, drove this growth.

In Ghana, we launched a peer-learning programme in 2023 to facilitate the seamless exchange of expertise and proficiencies across the organisation. A select group of individuals proficient in areas such as MS Excel, PowerPoint and social media marketing shared their wisdom with fellow Bayporters through engaging training sessions, exemplifying knowledge sharing within the organisation.

In Botswana, 100 of our sales representatives successfully completed a certificate of proficiency in short-term insurance. Out of a total of 283 agents, 140 hold long-term certification, 26 short-term certification and 73 are certified in both.

Bayport Academy

A highlight of our learning and development efforts in 2023 was the successful launch of the group-wide e-learning platform, Bayport Academy. The core function of the Bayport Academy is to provide our employees with customised learning content that supports their learning and development journey at Bayport, both in their current roles and for future roles.

The platform offers a wide range of modules, including mandatory training on information security, as well as specialised modules on ESG, consumer protection and Bayport's water and sanitation project in collaboration with Water.org.

Bayport Academy already hosts 16 individual courses, accessible via computer/desktop and through mobile devices. Each module has been designed with a specific function and purpose and is launched to all staff or to Bayporters in specific roles.

Training modules rolled out in 2023 include:

- Cybersecurity awareness and prevention
- Data protection
- Consumer protection
- Introduction to environment, social and governance (ESG)
- Water and sanitation

Since Bayport Academy's inception, we have:

- Successfully launched and implemented the platform across all nine of our operations, reaching over 1 500

employees. The content is presented in local languages to ensure full access to learning.

- Designed, developed and implemented 16 modules.
- Achieved an average course completion rate of over 85%.

Looking ahead, we plan to:

- Add 22 self-development modules on topics such as working across cultures, motivation, workplace integrity and overcoming procrastination.
- Create a central repository of standardised policies, processes and procedures.
- Create dedicated country platforms where required, such as in Botswana and Mozambique.
- Implement digital employee induction and onboarding for new employees.



Talent attraction and retention

Performance management

Effective performance management is crucial for engaging employees and driving continuous improvement in performance across any organisation.

Performance management at Bayport involves monitoring goal completion, providing feedback and engaging in discussions to enhance individual performance. By analysing successes, strengths and areas for development, we can develop talent, improve performance and implement corrective measures as needed.

All employees participate in a contracting phase with their line manager at the beginning of the financial year or upon joining a new team to align their KPIs with the organisation's strategy and to set SMART goals.

Employees also engage in regular informal performance discussions and formal mid-year and end-of-year reviews with their line managers. In 2023, 92% of employees underwent mid-year and end-of-year performance reviews. New joiners who were excluded from performance reviews received performance feedback throughout the probation period and onboarding process.

In 2023, 258 employees were dismissed due to poor performance. This underscores the importance of performance management in identifying and addressing performance issues.

Performance management at Bayport not only ensures accountability for work performed but also identifies professional development needs. This helps employees to find meaning in their work and the organisation to achieve its objectives.



Bayporters attending Zambia's 2023 AGM.

Talent management and succession planning

We highly value the unique skills and contributions of each employee, understanding that their collective efforts drive our success. To support their development and growth, we offer advancement opportunities to all contributing employees.

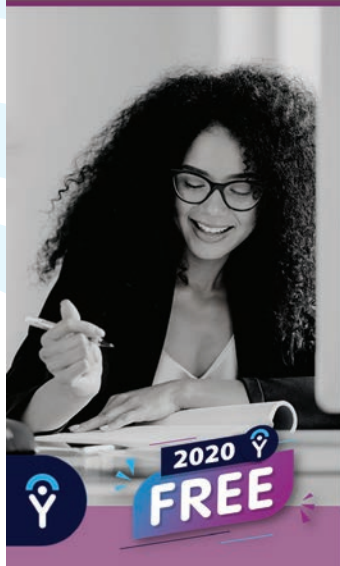
Our talent management framework guides the assessment and evaluation of talent within our workforce. We provide

programmes to upgrade employee skills and offer transition assistance to support career progression.

In 2023, we celebrated a total of 96 promotions across the group, 54% going to female employees.

Talent attraction and retention

Do you and your career want a mentor?



IF THE ANSWER is 'yes', then set aside an hour on Tuesday, 24 January, to attend the online information session about Bayport's AKB Mentorship Programme for Women.

From 12:30 to 13:30 the programme presenters will talk you through:

- What it means to be a mentee.
- What is involved in the mentee-mentor partnership.
- Outline and timelines of the AKB Mentorship Programme for Women.
- How to submit your motivation to join the programme.

Join the online information session using [this link](#) to start a journey that could change your life and your career. We hope to see you on Tuesday!

Alison Blanchard
MENTORSHIP PROGRAMME

Leadership development

In the reporting period, we launched the group's personal mastery programme to help employees build a resilient mindset and acquire practical strategies for overcoming obstacles and achieving goals by addressing deeply entrenched limiting beliefs that cause feelings of disempowerment. Eight employees attended this training.

We also initiated a coaching programme for our group executives to help them keep up with the evolving needs and demands of our organisation and stakeholders. This programme, offered to nine executives, aims to help them achieve their leadership and personal goals effectively.

In Botswana, we trained 10 employees on supervisory skills and leadership, targeting new managers and recently promoted staff to develop and nurture high-productivity teams.

In Ghana, we developed a strategic talent programme to prepare 28 employees for critical roles in the business. In addition to a seven-week masterclass based on Steve Covey's *Seven Habits of Highly Effective People*, each cohort was assigned a professional career coach to manage the class and prepare them for current and future roles in the business.

Turnover

We maintain a healthy staff retention rate with very few regrettable terminations. In 2023, our average voluntary turnover rate improved to 18% from 23% in the previous year.

Mentorship

In honour of our late Group Chief Risk Officer, we launched the Alison Kay Blanchard Mentorship Programme for Women, aimed at empowering female employees and supporting their professional growth. A survey conducted among women at Bayport highlighted "support from other women" as a key success factor in the business world. This insight, while not new, underscores the importance of creating intentional support networks, which we aim to achieve through this mentorship programme.

With more than half of our workforce being women, Bayport is home to many remarkable female professionals. Through this mentorship programme, we aspire to help as many Bayport women as possible reach their full professional potential. The programme's initial proof of concept involved nine business leaders volunteering as mentors and seven female mentees.

Based on the positive feedback from the proof of concept, the programme will be adjusted slightly before being rolled out to the broader Bayport group.



Alison Kay Blanchard.

Mazingira
Safi
Pesa bila Makaratasi

Mazingira **Safi**
Pesa bila Makaratasi

On World Environment Day, Tanzania launched its 'Bayport Going Green Everywhere' initiative, showcasing staff-driven proposals to enhance the operation's energy-saving efforts and reinforce its commitment to ESG.



Employee engagement

Culture survey

The results of a culture survey conducted in November 2022 were thoroughly analysed in 2023 and we collaborated closely with each operation to pinpoint focus areas and develop action plans for improvement. The outcomes of this process were shared with the Group Exco and, with staff input, we co-designed action plans to address the identified areas for enhancement.

Our next group-wide employee engagement and culture survey is scheduled for mid-2024. To ensure the effectiveness of our cultural initiatives, we have decided to conduct these surveys every 18 to 24 months instead of annually. This adjustment allows us to implement action plans more comprehensively.

In the meantime, operations are encouraged to conduct regular pulse eNPS surveys to gauge staff perception of the business, providing additional insights for continuous improvement.

Townhalls

One of our key practices is the quarterly townhall meetings held across all operations, with some jurisdictions conducting them monthly. Through these meetings employees stay informed about macroeconomic factors, business performance, strategy, HR developments and other relevant topics.

They also provide an opportunity for staff to ask questions and gain insights into organisational matters. In 2023, 63 townhalls were held across the group.

CEO roundtables

In addition to regular townhall meetings, Bayport Mozambique introduced the 'Coffee with the CEO' initiative in May. The CEO uses this fortnightly event to interact with randomly selected employees from different teams in an informal setting, brainstorming ideas to enhance business operations and bridging the communication gap between employees and top management. Many ideas generated in these sessions have been successfully implemented. Bayport Mexico launched 'Coffee with Walter' sessions in the latter half of the year, following a similar format.

Collective bargaining agreements

We uphold the right of our employees to form or join associations for the protection of their interests, including the right to bargain collectively. We are committed to establishing constructive dialogues with employee representatives and bargaining in good faith with legally recognised trade unions.

While all countries and employees are empowered to join recognised unions, we only have a collective bargaining agreement and union involvement in our Ghanaian business, which represents 8% of our total workforce.



Bayport Mexico Bayporters participating in a townhall meeting.



Bayport Mozambique Bayporters share cups of coffee with their CEO, Bene Machatine.

Employee engagement



Bayport Zambia Bayporters at a teambuilding session.

Teambuilding activities

Bayport Ghana and Zambia organise off-site departmental teambuilding sessions to give teams an opportunity to relax, reflect and strategise on their goals in a different environment. Employees are empowered to plan these activities, fostering a dynamic and cohesive work environment.

In Botswana, the staff-elected Bayport social club committee collaborates with the Human Capital team in arranging employee engagement activities to enhance employee morale and foster team cohesion.

Recognition programmes

We have instituted informal recognition programmes to celebrate and appreciate outstanding employee contributions. At the end of each year, events to celebrate achievements take

place across all our operations. In some regions, awards are presented to employees for their exceptional dedication and performance.

Group Support

In April 2023, we launched an informal recognition programme that employees can use to recognise their colleagues or leaders for exceptional achievements in the workplace. Monthly recognition nominations are collated and the BML Exco team selects an employee of the month, who is celebrated in front of their peers as well as rewarded with a “duvet day” (free annual leave day).

Botswana

In May, we launched the 'Realeboga' employee appreciation programme, which recognises individuals who go above

Mexico

Bayport Mexico developed and launched the 'Conéctate' (let's connect) application platform to provide the sales team, which comprises 85% of the workforce, with an internal social network. This initiative underscores our commitment to employee wellbeing and fostering a connected and supportive work environment.

and beyond to enhance departmental and organisational performance. The programme celebrates exemplary service to customers and dedication to colleagues by selected quarterly brand ambassadors who then compete for the title of annual champion.

Ghana

As part of our 20th-anniversary celebrations, we presented four employees with long-service awards in the form of prizes and certificates. Additionally, as a gesture of appreciation, the children of seven employees were awarded Bayport scholarships that cover their tuition fees, accommodation and books from basic school through tertiary education.



Moses Nuamah receives his award for 20 years of service.

Employee wellness

We are committed to providing a safe and healthy workplace that complies with all applicable safety and health laws and regulations. Our goal is to maintain a productive environment by minimising the risk of accidents, injuries and exposure to health risks.

We provide the necessary resources, including employee training and open communication, to encourage awareness and greater responsibility. As a group, we are dedicated to maintaining a workplace free from violence, harassment, intimidation and other unsafe or disruptive conditions due to internal and external threats.



Ghana Bayporters during an employee engagement session.

During the reporting period, no work-related injuries were reported. Selected staff across our operations were trained in first aid and fire safety protocols, ensuring workplace safety.

There has been an increased implementation of employee health and wellness initiatives within our subsidiaries, highlighting the understanding that employee wellbeing directly influences productivity. Tanzania, for example, conducts annual voluntary general health checks midway through the year, and in Ghana, 100% of employees underwent an annual health screening specifically for ear, nose and throat (ENT) health in 2023.

Botswana

We established an on-site clinic in collaboration with Independent Counselling and Advisory Services (ICAS), providing convenient therapy sessions to promote mental health and work-life balance. Throughout the year, several mental health talks, addressing issues like depression and anxiety, were conducted, aiming to promptly address workplace trauma, while the wellness clinic played a pivotal role in raising awareness on health issues such as HIV/AIDS and human rights.

Free health screenings that include BMI, diabetes, full blood count and cholesterol readings were offered to all employees; 83 participated.

Bayport Botswana also delivered wellness baskets and cards to ailing team members and launched the Biggest Loser Challenge. The latter encourages physical fitness, healthy lifestyle habits and teambuilding and saw the Finance & Innovation team topping the weight-loss chart with a collective 39kg.

Mexico

Mexico launched 'Cuéntame' (tell me about it), an online mental health tool and application platform where employees provide data, take surveys and receive stress metrics with daily audio, video or text recommendations, along with monthly online therapy.

Mozambique

As part of its 11th-anniversary celebrations, Bayport Mozambique held an energetic and entertaining health fair in Maputo where employees and agents received medical check-ups and advice for a healthy lifestyle.



Employee wellness

Ghana

As part of our employee assistance programme, a wellness webinar on emotional intelligence was hosted, guiding employees on managing emotions and cultivating positive relationships. In October, we organised free breast cancer screenings for employees and customers.

South Africa

In 2023, Bayporters in South Africa used Heritage Day to celebrate the achievements of the country's national women's netball and football teams at their respective world cups and cheer on the men's rugby team at the Rugby World Cup in France. Additionally, an exhibition soccer match between the executive and operations committees (Exco and Opco) served as the curtain raiser for the Bayport League of Champions final.

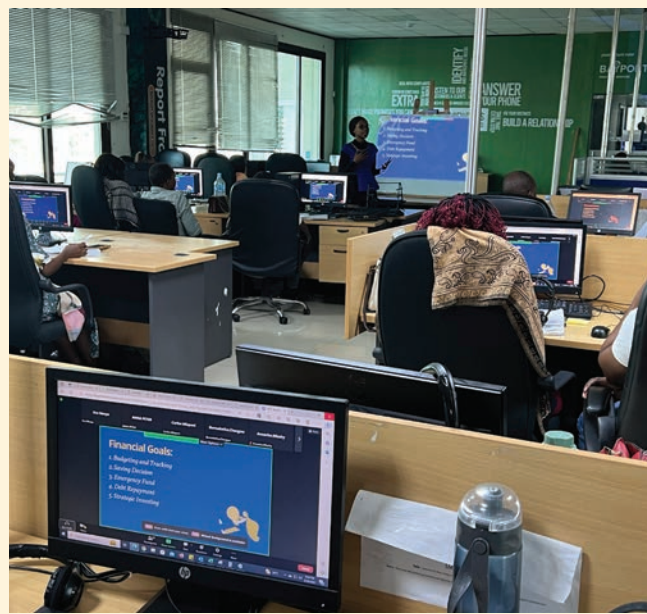


Uganda

In collaboration with Case Medinsurance, we hosted a health talk on holistic wellness for our staff, covering topics such as maintaining physical health, proper nutrition, fitness routines, the importance of sleep and nurturing mental wellbeing. In commemoration of World AIDS Day, a specialist in infectious diseases addressed staff both at head office and online on proactive measures to prevent HIV transmission and stigmatisation in the workplace.

Tanzania

To enhance financial literacy among our employees, Tanzania introduced quarterly financial wellness seminars. These seminars followed a financial wellness campaign led by female members of the executive committee in March, aiming to empower our staff with essential financial education.



Zambia

Bayport Zambia held over 30 employee engagement and wellness activities, including health and financial literacy talks, career and personal branding guidance, motivational sessions, aerobics and sports events and soccer matches, across its branches.



Bayport Zambia Bayporters from Mongu Branch participating in a wellness day.

Towards the future

“ The focus for the year ahead includes upholding governance and compliance standards, anticipating liquidity challenges and devising strategies to maintain employee focus and motivation while upholding impeccable service standards. ”

As we reflect on our achievements and areas for improvement, we reaffirm our dedication to ESG principles, prioritising sustainability, responsibility and integrity in all business operations.

Our Business

The focus for the year ahead includes upholding governance and compliance standards, anticipating liquidity challenges and devising strategies to maintain employee focus and motivation while upholding impeccable service standards. Emphasis will be placed on fostering high-quality engagements with stakeholders, employers and funders.

Several large-scale projects are being implemented to improve our cybersecurity status:

- **Advanced cyber defence:** Using cutting-edge cybersecurity tools to strengthen our defences against dynamic attacks.
- **Expanded training:** To promote an even more robust culture of security awareness, we are expanding the breadth and depth of our information security training programmes.
- **Innovative data protection technologies:** Investigating and implementing state-of-the-art technologies to provide stronger data security, identity and access management.

There is increased pressure from DFIs for credit providers like Bayport to collect data and report on environmental impact, especially in terms of energy and water consumption and waste management. We are assessing the feasibility of implementing relevant initiatives based on KPIs and operating environment.

Our Customer

Inclusivity and gender diversity are themes for us in 2024. We will focus on increasing financial inclusion for women, implement digital loan origination in Zambia and improve customer use of our online financial literacy platform.

We are working on strategies to meet the 2X Challenge consumption criteria, which is also an opportunity to grow our customer base through products and services designed with and for women.

Customer retention and acquisition will also be driven through our digitisation agenda that leverages technology to enhance accessibility and improve customer experience.

Our People

Our human capital philosophy is founded on the belief that all Bayporters have the best interest of the business, our customers and other Bayporters at heart. As such, everything Bayport does serves the long-term interests of our employees.

As we look towards the future, we aspire to be recognised as a top employer in our industry. To achieve this, we will continue to develop, localise and monitor the adoption of Group Human Capital standards, which will promote a high-performance culture and a sense of belonging within the Bayport family. This in turn will enable the business to attract, retain, engage and develop the right people to deliver Bayport's strategy.

The Group Human Capital mission is to lift the level of human capital management maturity across the Bayport Group by driving best practice learnings in the human capital functions of all the operations, and by setting and ensuring compliance to the Group Human Capital standards.



Ghana Bayporters actively participated in the annual sports competition 'Citi Business Olympics', demonstrating their athletic skills while cultivating valuable business connections and improving their health and wellness.

We treat our customer
Fair and Respectful

Our loan process is
transparent

We offer financial
wellness



The Water.Org senior leadership team during a visit to Tanzania.

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Closing message

As we conclude our 2023 ESG report, we reflect on the profound interconnection between information security, responsible lending and financial inclusion in today's digital landscape.

Bayport recognises that maintaining the trust and confidence of our stakeholders is paramount, which is why our commitment to information security excellence extends far beyond data protection. We continually refine our strategies and methodologies to navigate the complexities of the digital realm while simultaneously advancing the broader goals of responsible lending and financial inclusion. The result is a ripple effect of positive change across our markets.

Throughout 2023, our ESG focus bore fruit, as evidenced by the attainment of 100% client protection certification for our controlled subsidiaries and the implementation of customer protection charters, which significantly bolstered customer safeguards. Additionally, we prioritised our customers' financial literacy and fostered new customer relationships. By adapting to evolving customer needs and preferences, we are poised to solidify our position as a responsible lender and drive greater financial inclusion among our diverse customer base.

In tandem with our commitment to responsible lending, we integrated environmental responsibility into our brand and

operations, particularly through initiatives like digital loan origination.

We regard our people as our most valuable asset, hence their wellbeing and professional development remain a priority. Through employee wellness programmes, recognition schemes and skill enhancement initiatives, we nurture a culture that equips our workforce to deal with the challenges of today and tomorrow.

Despite the strides we have made, gender diversity is still a challenge in certain regions, and we have enacted plans to advance gender representation and equality where needed.

We remain committed to making a positive difference in the communities we serve through collaboration and partnerships. Our aim is to empower marginalised groups, improve access to basic services and contribute to the overall welfare of society.

In conclusion, our ESG progress in 2023 reflects our commitment to responsible lending, financial inclusion and environmental sustainability. We are confident that as long as we prioritise these principles, we will not only strengthen our position in the credit market but also drive greater financial inclusion and make a positive impact on the world around us.



We continually refine our strategies and methodologies to navigate the complexities of the digital realm while simultaneously advancing the broader goals of responsible lending and financial inclusion.

– Nothando Ndebele
Bayport Africa CEO



Colombia Bayporters cleaned the Teusaca River watershed near Bogota as part of their 'Guardians of Water' initiative.

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GRI Index

Statement of use	Bayport Management Ltd (BML) has reported the information cited in this GRI content index for the period 1 January 2023 - 31 December 2023 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

Disclosure	Location of information or response
GRI 2: General Disclosures 2021	
2-1 Organisational details	Bayport Management Ltd c/o Bellerive 3 rd floor, Ebene Skies, Rue de l'Institut Ebene, Republic of Mauritius Pg 4 – 5: About our ESG report Pg 8: Company overview
2-2 Entities included in the organisation's sustainability reporting	The scope of our ESG report includes all operations-based entities under BML. Pg 4: About our ESG report
2-3 Reporting period, frequency and contact point	Pg 4 – 5: About our ESG report
2-4 Restatements of information	Pg 5: About our ESG report
2-5 External assurance	Pg 5: About our ESG report
2-6 Activities, value chain and other business relationships	Pg 8 – 12: Company overview; Pg 13 – 15: Creating value for our stakeholders; Pg 40: Supply chain management
2-7 Employees	Pg 2 – 3: Bayport in 2023; Pg 68: Employee profile The methodology used to compile the data is based on head count, full time equivalent (FTE) at the end of the reporting period.
2-8 Workers who are not employees	Pg 3: Bayport in 2023; Pg 68: Employee profile

Disclosure	Location of information or response
GRI 2: General Disclosures 2021 (continued)	
2-9 Governance structure and composition	Pg 17: ESG governance structure; Pg 26 – 29: Governance; Pg 33: Risk management
2-10 Nomination and selection of the highest governance body	Pg 26: BML governance
2-11 Chair of the highest governance body	Pg 6: Message from the chairman; Pg 26 – 28: Governance
2-12 Role of the highest governance body in overseeing the management of impacts	Pg 17: ESG governance and structure; Pg 26 – 28: Governance; Pg 33 – 34: Risk management
2-13 Delegation of responsibility for managing impacts	Pg 17: ESG governance and structure; Pg 26 – 28: Governance; Pg 33 – 34: Risk management
2-14 Role of the highest governance body in sustainability reporting	Pg 5: Reporting framework; Pg 17: Reporting
2-15 Conflicts of interest	Pg 28: Conflict of interest policy
2-16 Communication of critical concerns	Pg 32: Grievance mechanisms
2-17 Collective knowledge of the highest governance body	Pg 26 – 28: Governance
2-18 Evaluation of the performance of the highest governance body	Pg 28: Governance – training and evaluation

GRI Index

Disclosure		Location of information or response
GRI 2: General Disclosures 2021 (continued)		
2-19	Remuneration policies	Pg 27: Group governance structure; Pg 69 – 70: Remuneration policy
2-20	Process to determine remuneration	Pg 69 – 70: Remuneration policy
2-21	Annual total compensation ratio	Pg 72: Pay equity
2-22	Statement on sustainable development strategy	Pg 5: Message from the chairperson; Pg 6: Message from the Group CEO; Pg 16: Our commitment to and vision for ESG; Pg 18: ESG strategy
2-23	Policy commitments	The Group recognises that international risk management frameworks adopted by financial institutions have facilitated the convergence around common environmental, social, and governance (ESG) standards for financial services. In alignment with internationally recognised ESG principles and standards, we have adopted an ESG policy. This policy is supported by core policies essential to achieving our ESG strategy and targets. Where applicable, our policies and standards are based on international norms and recognised initiatives and are approved and signed by the board of directors. Key policies referenced in this report include: Pg 28: Code of ethics and business conduct Pg 28: Conflict of interest Pg 30: Anti-bribery and corruption Pg 13: Anti-money laundering and fraud Pg 32: Whistleblowing Pg 38: Tax Pg 40: Supply chain management Pg 41: Information security and data privacy Pg 42: Stakeholder policy Pg 52-53: Customer protection Pg 69: Human rights

Disclosure		Location of information or response
GRI 2: General Disclosures 2021 (continued)		
2-23	Policy commitments (continued)	Pg 69: Remuneration Pg 70: Employee value proposition Pg 72: Diversity equity and inclusion Pg 72: Gender Pg 72: Discrimination and harassment
2-24	Embedding policy commitments	We embed our policy commitments by integrating internationally recognised ESG principles into our core operations and strategic framework. We adopt comprehensive policies aligned with global standards, ensuring these are approved by the board of directors. These policies cover critical areas such as ethics, anti-corruption, human rights, and stakeholder engagement. Through continuous monitoring and transparent reporting, we ensure adherence to these commitments. Pg 16 – 17: ESG governance; Pg 26 – 29: Governance
2-25	Processes to remediate negative impacts	Pg 29: Compliance; Pg 30 – 31: Combatting financial misconduct; Pg 32: Grievance mechanisms
2-26	Mechanisms for seeking advice and raising concerns	Pg 32: Grievance mechanisms; Pg 53: Complaints resolution; Pg 78: Townhalls
2-27	Compliance with laws and regulations	Pg 29: Compliance
2-28	Membership associations	Pg 12: Membership associations
2-29	Approach to stakeholder engagement	Pg 12: Our stakeholders; Pg 42 – 43: Stakeholder engagement
2-30	Collective bargaining agreements	Pg 78: Collective bargaining agreements

GRI Index

Disclosure		Location of information or response
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Pg 9: Theory of change; Pg 18: ESG pillars and material topics
3-2	List of material topics	Pg 9: Theory of change; Pg 18: ESG pillars and material topics; Pg 19 – 21: Our impact areas: Alignment of our pillars, material issues and the UN SDGs
3-3	Management of material topics	See all relevant disclosures below, according to each material topic. Pg 19 – 21: Our impact areas: Alignment of our pillars, material issues and the UN SDGs; Pg 22: OPCO ESG KPIs; Pg 25: Our business – material topics; Pg 45: Our customer – material topics; Pg 67: Our people – material topics
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Pg 2 – 3: Bayport in 2023; Pg 9: Theory of change; Pg 13 – 15: Creating value for our stakeholders
201-2	Financial implications and other risks and opportunities due to climate change	We recognise the rapidly changing global context and risks posed by environmental and social impacts and the importance and relevance of social and environmental risk management in microfinance institutions. Social and environmental (including labour) risks translate into credit and reputation risks for Bayport's operations. In general, individuals served by our operations are not associated with the same scale and types of social and environmental risks as larger corporate clients and projects served by other financial institutions. Moreover, the focus in microfinance lies on the development of positive social impact (and identifying ways of measuring this). Pg 35 – 36: Managing our social and environment risks and impacts

Disclosure		Location of information or response
GRI 201: Economic Performance 2016 (continued)		
201-3	Defined benefit plan obligations and other retirement plans	Pg 70: Retirement fund
201-4	Financial assistance received from government	Not applicable
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Our minimum salary levels exceed minimums legislated in all the countries where we do business, and we align our remuneration packages appropriately and competitively with the market through ad-hoc benchmarking. Pg 72: Pay equity
202-2	Proportion of senior management hired from the local community	Pg 68: Employee profile Senior management is defined as those within the executive committee/management. Local is defined as operating market country
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Pg 68: Employee profile Senior management is defined as those within the executive committee/management. Local is defined as operating market country
203-2	Significant indirect economic impacts	USD 6.8m spent on investment in innovation. Spending that enables the design and implementation of new products and delivery channels to accelerate our digital journey and improve customer experience. Pg 50: Digital loan origination

GRI Index

Disclosure	Location of information or response
GRI 204: Procurement Practices 2016	
204-1 Proportion of spending on local suppliers	Pg 40: Supply chain management
GRI 205: Anti-corruption 2016	
205-1 Operations assessed for risks related to corruption	All our operational sites undergo internal audit/risk assessments concerning business ethics issues, while fraud and ethical behaviour risks are included in our approach for all audits. Pg 30: Combatting financial misconduct – Principles and framework
205-2 Communication and training about anti-corruption policies and procedures	Pg 30: Combatting financial misconduct – Principles and framework
205-3 Confirmed incidents of corruption and actions taken	Pg 30: Combatting financial misconduct – Anti-bribery and corruption
GRI 206: Anti-competitive Behaviour 2016	
206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	No legal actions were pending or completed during the reporting period.
GRI 207: Tax 2019	
207-1 Approach to tax	Pg 38 – 39: Tax
207-2 Tax governance, control and risk management	Pg 38 – 39: Tax
207-3 Stakeholder engagement and management of concerns related to tax	Our continuous dialogue with stakeholders including tax authorities, investors, and the community, helps address material issues and optimise tax strategies responsibly. We frequently engage with tax authorities to ensure compliance and foster cooperation. By adhering to laws and minimising negative impacts, we maximise sustainable shareholder value.

Disclosure	Location of information or response
GRI 207: Tax 2019 (continued)	
207-3 Stakeholder engagement and management of concerns related to tax (continued)	We foster a culture of continuous improvement in tax risk management by regularly evaluating the effectiveness of policies, procedures and controls, soliciting feedback from stakeholders, and making adjustments as necessary to enhance the organisation's ability to manage tax risks effectively.
207-4 Country-by-country reporting	Not reported
GRI 301: Materials 2016	
301-1 Materials used by weight or volume	Not reported
301-2 Recycled input materials used	Not reported
301-3 Reclaimed products and their packaging materials	Not reported
GRI 302: Energy 2016	
302-1 Energy consumption within the organisation	Pg 64: Economic contribution to society - Environment
302-2 Energy consumption outside of the organisation	Not applicable
302-3 Energy intensity	Not reported – data collection and reporting to commence in 2024
302-4 Reduction of energy consumption	Pg 64: Economic contribution to society - Environment
302-5 Reductions in energy requirements of products and services	Not applicable – the Group does not produce any physical products that require energy.

GRI Index

Disclosure	Location of information or response
GRI 303: Water and Effluents 2018	
303-1 Interactions with water as a shared resource	Pg 64: Economic contribution to society - Environment
303-2 Management of water discharge-related impacts	Not applicable
303-3 Water withdrawal	Not applicable
303-4 Water discharge	Not applicable
303-5 Water consumption	Not reported – data collection and reporting to commence in 2024
GRI 304: Biodiversity 2016	
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable
304-2 Significant impacts of activities, products and services on biodiversity	Not applicable
304-3 Habitats protected or restored	Not applicable
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	Not reported – data collection and reporting to commence in 2024
305-2 Energy indirect (Scope 2) GHG emissions	Not reported – data collection and reporting to commence in 2024

Disclosure	Location of information or response
GRI 305: Emissions 2016 (continued)	
305-3 Other indirect (Scope 3) GHG emissions	Not reported – data collection and reporting to commence in 2024
305-4 GHG emissions intensity	Not reported – data collection and reporting to commence in 2024
305-5 Reduction of GHG emissions	2024 is the baseline year; comparison not yet possible
305-6 Emissions of ozone-depleting substances (ODS)	Not applicable
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Not applicable
GRI 306: Waste 2020	
306-1 Waste generation and significant waste-related impacts	Not reported – data collection and reporting to commence in 2024
306-2 Management of significant waste-related impacts	Pg 29: Environmental compliance; Pg 64: Economic contribution to society
306-3 Waste generated	Not reported – data collection and reporting to commence in 2024
306-4 Waste diverted from disposal	Pg 64: Economic contribution to society – Environment
306-5 Waste directed to disposal	Not reported – data collection and reporting to commence in 2024
GRI 308: Supplier Environmental Assessment 2016	
308-1 New suppliers that were screened using environmental criteria	Not reported
308-2 Negative environmental impacts in the supply chain and actions taken	Not reported

GRI Index

Disclosure	Location of information or response
GRI 401: Employment 2016	
401-1 New employee hires and employee turnover	Pg 68: Employee profile
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pg 70: Employee value proposition
401-3 Parental leave	Pg 70: Employee value proposition
GRI 402: Labour/Management Relations 2016	
402-1 Minimum notice periods regarding operational changes	Not reported
GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	Our occupational health and safety management system falls within our risk management framework, encompassing employee health, safety, and incident reporting. Guided by a comprehensive emergency response plan, we focus on preparedness, response, and recovery strategies, including procedure execution, information sharing, and coordination during emergencies. Pg 35: Managing our social and environment risks and impacts Pg 80: Employee wellness
403-2 Hazard identification, risk assessment and incident investigation	Employee health and safety, including incident reporting, are encompassed within our risk management policies and framework. We conduct internal health and safety risk assessments to identify and evaluate potential impacts on employees. In certain operational countries, these risk assessment reports are submitted to regulatory authorities as required.

Disclosure	Location of information or response
GRI 403: Occupational Health and Safety 2018 (continued)	
403-3 Occupational health services	Pg 70: Localised group standard benefits Pg 80: Employee wellness
403-4 Worker participation, consultation and communication on occupational health and safety	The occupational health and safety, and crisis management teams that oversee our emergency response plans, comprise both management and worker representatives. Our quarterly town halls across all operations provide a platform for two-way communication on HSE matters. Pg 80 – 81: Employee wellness
403-5 Worker training on occupational health and safety	Pg 36 – 37: E&S training Pg 51: Water and sanitation Pg 74: Learning and development Pg 80: Employee wellness
403-6 Promotion of worker health	Pg 80 – 81: Employee wellness
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pg 80: Employee wellness
403-8 Workers covered by an occupational health and safety management system	100% of employees are covered by our relevant occupational health and safety management policies, procedures and benefits. Pg 70: Localised group standard benefits
403-9 Work-related injuries	Pg 80: Employee wellness
403-10 Work-related ill health	Pg 80: Employee wellness
GRI 404: Training and Education 2016	
404-1 Average hours of training per year per employee	Average training hours per year per employee rose to 24. Pg 74: Learning and development

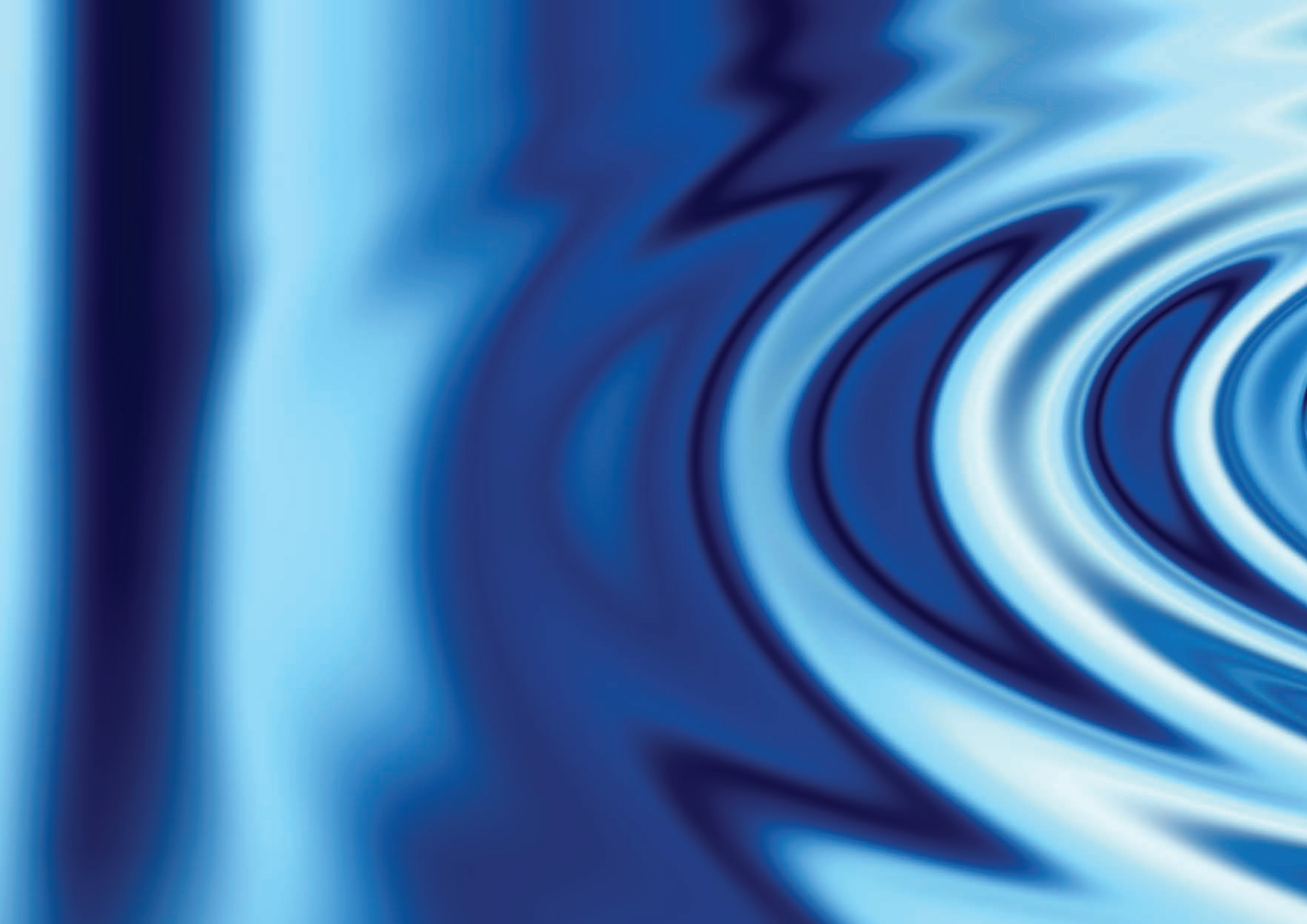
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Disclosure	Location of information or response
GRI 404: Training and Education 2016 (continued)	
404-2 Programmes for upgrading employee skills and transition assistance programmes	Pg 74 – 76: Talent attraction and retention
404-3 Percentage of employees receiving regular performance and career development reviews	92% of employees underwent mid-year and end-of-year performance reviews. Pg 73: Performance management
GRI 405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	Pg 68: Employee profile
405-2 Ratio of basic salary and remuneration of women to men	Pg 72 – 73: Diversity, equity and inclusion
GRI 406: Non-discrimination 2016	
406-1 Incidents of discrimination and corrective actions taken	Pg 73: Discrimination and harassment
GRI 407: Freedom of Association and Collective Bargaining 2016	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pg 78: Collective bargaining agreements
GRI 408: Child Labour 2016	
408-1 Operations and suppliers at significant risk for incidents of child labour	We strictly prohibit the use of forced or child labour and human trafficking in all our operations. Pg 69: Human rights

Disclosure	Location of information or response
GRI 408: Child Labour 2016	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	We strictly prohibit the use of forced or child labour and human trafficking in all our operations. Pg 69: Human rights
GRI 410: Security Practices 2016	
410-1 Security personnel trained in human rights policies or procedures	Not applicable
GRI 411: Rights of Indigenous Peoples 2016	
411-1 Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 413: Local Communities 2016	
413-1 Operations with local community engagement, impact assessments and development programmes	Pg 62 – 65: Economic contribution to society
413-2 Operations with significant actual and potential negative impacts on local communities	We seek to contribute to the social and economic development of communities in our operational jurisdictions. The Group, in furthering its mission, has not participated in activities with actual or potential negative impacts on local communities.
GRI 414: Supplier Social Assessment 2016	
414-1 New suppliers that were screened using social criteria	Not applicable
414-2 Negative social impacts in the supply chain and actions taken	Not applicable

GRI Index

Disclosure	Location of information or response
GRI 415: Public Policy 2016	
415-1 Political contributions	The Group did not make any donations to any political party or other political organisation during the year
GRI 416: Customer Health and Safety 2016	
416-1 Assessment of the health and safety impacts of product and service categories	Every Bayport loan is sold with compulsory credit life insurance that covers the outstanding debt on a customer's loan under specific circumstances. Pg 11: Insurance solutions; Pg. 52: Customer protection
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There have been no incidents of non-compliance concerning the health and safety impacts of products and services within the Group during the reporting period.
GRI 417: Marketing and Labelling 2016	
417-1 Requirements for product and service information and labelling	Pg 52: Responsible labelling and marketing
417-2 Incidents of non-compliance concerning product and service information and labelling	Pg 52: Responsible labelling and marketing
417-3 Incidents of non-compliance concerning marketing communications	Pg 52: Responsible labelling and marketing
GRI 418: Customer Privacy 2016	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pg 32: Grievance mechanisms; Pg 41: Information security; Pg 52 – 53: Customer protection







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