

4G Capital 2023 Sustainability Report



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Wayne Hennessy-Barrett

Chief Executive Officer

“

Our growth ambition matches the \$5 trillion global finance gap, as does our commitment to decarbonising the world economy.

”

MESSAGE FROM THE CEO

In the past ten years 4G Capital has established itself as an award-winning delivery system for mobilising global capital to the African point of need while delivering market-beating returns.

Our client-centric product design, unique approach to blending technology, data science and human interaction has earned us the highest impact score and portfolio quality in the industry. Our growth ambition matches the \$5 trillion global finance gap, as does our commitment to decarbonising the world economy. As we have benefited from the technology leapfrog effect in Africa, where mobile money and fintechs accelerate growth, so too we commit to supporting the regenerative economy on which our future depends.

This year 4G Capital launched its KAWI range of credit services. We are financing electric vehicles, solar powered irrigation systems, off-grid cold storage and zero carbon fuels to grow the micro and SME economy, combining our fintech working capital solutions with clean tech and fuel providers. These technologies are fundamental to all our futures, and must be available to small businesses on terms that work for them.

This requires partnerships of the highest standard - from manufacturers and vendors to mission-aligned investors. Our thesis is that sustainable, regenerative value creation will ultimately be more profitable than yesterday's approach to short term growth. In reality we have no alternative. The commitment to net-zero has been made at the highest levels, and we must all play our part in turning this into an economically prosperous future for the entire planet.

Thank you for reading this report and for being part of our journey.

2023 HIGHLIGHTS

4G Capital. Big banking for small businesses.

The Finance Gap in sub-Saharan Africa remains at US \$400 billion according to the IFC, and over US\$50 billion in Kenya. This is the quantum of working capital required to fuel micro-SME growth and allow people to transition from an informal to formal existence. Impact is happening, but not fast enough to cope with population growth and the need to provide jobs and opportunities for this resilient and vast segment, with huge collective purchasing power.

This challenge presents an almost limitless opportunity but only with careful and client-focussed execution. We now seek to finance the scaling of our market proven products to lend in excess of US \$3.6 billion over the next 5 years. Strong gross margins will fund future expansion and diversification as well as developing our technology and AI to power a business neobank for the world's most exciting market.



Financial KPIs

\$23 million Revenue

\$1.2 million EBIT

\$12 million AUM

\$3.4 million Disbursements

ESG Impact Metrics



Environment

1,289 Tonnes CO₂e GHG Footprint

145.2 B Impact Score



Social

59 NPS

1K Employees

\$7.0 Million staff costs

132k Jobs created

503K Customers served

433k Trained Customers



Governance

Business operations in **2** Countries Kenya and Uganda

192 Branches

Headquarters in Nairobi Kenya

33% women board members

57% Women on SMT

69% women customers



Social Corporate Responsibility

162 Market clean ups

6 CSR Projects

2,886 Beneficiaries

SIGNIFICANT SUSTAINABLE ACHIEVEMENTS

Certified



B-Corp Certification

Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. 4G Capital has demonstrated sustainable achievement by securing the #1 ranking in African Financial Services and placing among the top 10 B Corps in financial services worldwide. For the second consecutive time, 4G Capital has been recognized as the highest-scoring B Corp credit provider on the African continent.



2X Gender Equality

To advance gender balance and enhance opportunities for women, we have adopted a comprehensive gender action plan focused on mentoring and capacity-building for women in leadership roles. In partnership with Mastercard, we have introduced a women and youth specific product and paired our loan officers to create more opportunities for women, ensuring they are represented in leadership positions and promoting the 2X Gender Equality initiative. Internally, we have mentored and promoted 48 talented female staff into SMT roles, and 14.1K women are currently benefiting from our Jiinue product.



Commitment to Carbon Neutrality and Path to Net Zero

As of 2023 4G Capital signed a charter with B-Corp to accelerate the reduction of its greenhouse gas emissions to reach a 1.5 degree trajectory leading to net zero by the year 2030—20 years ahead of the 2050 targets set in the Paris Agreement.

In 2023, we achieved carbon neutrality for our Scope 1 and 2 emissions by offsetting a total of 100 tonnes of carbon credits. These credits were sourced from verified afforestation projects and United Nations Clean Development Mechanism initiatives.

We are committed to the transition of charcoal sellers to eco-briquettes through our ESG committee. The committee has assessed the feasibility of converting existing charcoal sellers into eco-briquette vendors and is working towards halting the onboarding of new charcoal sellers by 2026.



SPTF + CERISE Client Protection Pathway

We are committed to responsible investing and prioritize meeting the client protection standards established by the SPTF + CERISE. To uphold these standards, we conduct annual assessments of 4G Capital across all eight Client Protection Standards. These standards ensure that our financial services are delivered to clients in a safe, responsible, and fair manner.

The Client Protection Standards are fully integrated into the Universal Standards for Social and Environmental Performance Management. In our assessments, 4G Capital has achieved a perfect score of 100% in six of the standards and 97% in the remaining two standards.

4G-CAPITAL AT A GLANCE




What we aim to achieve
To Grow Business with Capital and Knowledge



Where we aim to go
To be Africa's First Choice for Micro Enterprise Growth


PRINCIPLES UNDERPINNING OUR BUSINESS OPERATIONS



Accessibility
Our customers access instant mobile loans at the comfort of their own businesses.



Reliability
Our relationship officers walk with you every step of the way.



Innovation
We offer innovative financial solutions for those who need it the most.



Respect & Inclusion
We promote a welcoming environment that embraces the differences and offers respect for everybody.

HOW WE DO IT

- 1 Agility**
We are committed to rapid, continuous, and systematic adaptation and entrepreneurial innovation aimed at gaining and maintaining a competitive advantage.
- 2 Customer-centrism**
At 4G Capital, we put our customers first, and we are committed to giving them the best customer experience and value through our lending products and training services.
- 3 Innovation**
We are always constantly looking for new ways to innovate and adapt because we can't solve problems with old solutions.
- 4 Teamwork**
Our dedicated staff are at the core and heart of our operations. The culture at 4G Capital is all about creating a conducive environment that fosters creativity and teamwork.

OUR VALUE CHAIN

Theory of change

MISSION AND VISION

Grow business with capital and knowledge to unlock human potential for good.

Mission-driven organization focused on empowering self-employed micro-entrepreneurs in Africa. We succeed when our customers succeed.



TECHNOLOGY

Leveraging technology to deliver exponential success.

Our proprietary credit management system utilizes an integrated credit-scoring algorithm and machine learning. Achieve exceptional portfolio quality and facilitate near-instant disbursements.

CAPACITY BUILDING

4G Capital differentiates by exclusively targeting micro-businesses.

Through business coaching and instruction in fundamental areas such as bookkeeping, social & Environmental sustainability and business planning.



FINANCIAL INCLUSION

Reach those overlooked by formal financial providers

in areas with low private sector credit penetration levels and low levels of financial inclusion providing rapid access, totally unsecured credit to meet their immediate and long-term business needs.

IMPACT

Bridge the financial gap in the informal sector.

Democratize wealth creation and focus on delivering SDG impact for women, youth and rural communities Create better access to climate solutions.



OUR COMMITMENT TO SUSTAINABILITY

Our commitment to sustainability is rooted in our core objectives: financial inclusion, diversity and inclusion, climate action, robust governance, and social responsibility.

Our Social & Environmental Mission drives us to effectively manage our operations in order to minimise the impact of our business on the natural environment and community at large.

Our Economic Mission prompts us to design scalable financial solutions and business tools that connect the African informal sector with the rest of the world.

Our Product Mission compels us to leverage digital and innovative solutions that offer the greatest value to our customers who need it the most.

Using Our Business as a Force for Good

4G Capital is Africa's leading fintech and is proudly certified as a B Corporation (B Corp). B Corps represent a new class of businesses committed to balancing purpose and profit, meeting rigorous standards of social and environmental performance, accountability, and transparency as verified by B Lab.

We actively engage within the B Corp community and the broader B for Good Leaders Network, collaborating with mission-aligned partners to promote our core values of courage, Respect, Excellence, Commitment and Growth.

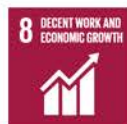
As a customer-centric organization, 4G Capital has been recognized for two consecutive years as a Best for the World™ company, celebrated for creating positive value for our customers. We are among the leaders in setting the standard for exceptional customer service and value.

Our microfinance products are thoughtfully designed to meet the specific needs of our customers in the most accessible and innovative ways. We enhance the lives of our customers by providing essential training and capacity building in business and financial management. Our ethical marketing practices prioritise data privacy and security, and we have established efficient feedback channels to ensure continuous improvement and customer satisfaction.

Our Sustainability Framework

Financial Inclusion

Objectives



Reach those overlooked by formal financial providers in areas with low private sector credit penetration levels and low levels of financial inclusion.

Providing rapid access, totally unsecured credit to meet customers immediate and long-term business needs with a focus on women and Youth.

Bring borrowers into the formal economy, with resulting social impact (credit history, greater access to services and family financial security).

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation

Making financial services more accessible and sustainable

Diversity and Inclusion

Objectives



Equal access to economic resources and basic service

Strive for equal opportunity, equitable economic empowerment, and diversity

Treat employees fairly in terms of recruitment, progression, terms and conditions of work and representation, irrespective of gender, race, colour, disability, political opinion, sexual orientation, age, religion, social or ethnic origin or health

Climate action

Objectives



Raise awareness on climate change mitigation, adaptation, impact reduction

Approach business operations with the principle of do no significant harm to the environment in which our customers operate from.

Foster efficient use of natural resources, especially energy saving initiatives

Provide carbon reducing technologies - Green lending

Reduce scope 1 and scope 2

Manage waste by reducing, reusing and recycling materials.

Governance

Objectives



Upholding strong governance practices that promote accountability, transparency, and integrity

Foster value-driven ethical behaviour and good governance practices, informed by respect for human rights

Effectively manage our operations in order to minimize the impact of our business on the natural environment and community at large

Promote effective leadership, board diversity and fulfil the Gender 2X Challenge criteria for financial services.

Commit to compliance, risk management and anti corruption measures

Social Responsibility

Objectives



Use business for good within our area of operation.

Create partnership for inclusion initiative for disability

Develop debt stress early warning signs for customers experiencing financial distress

Women empowerment in the informal economy

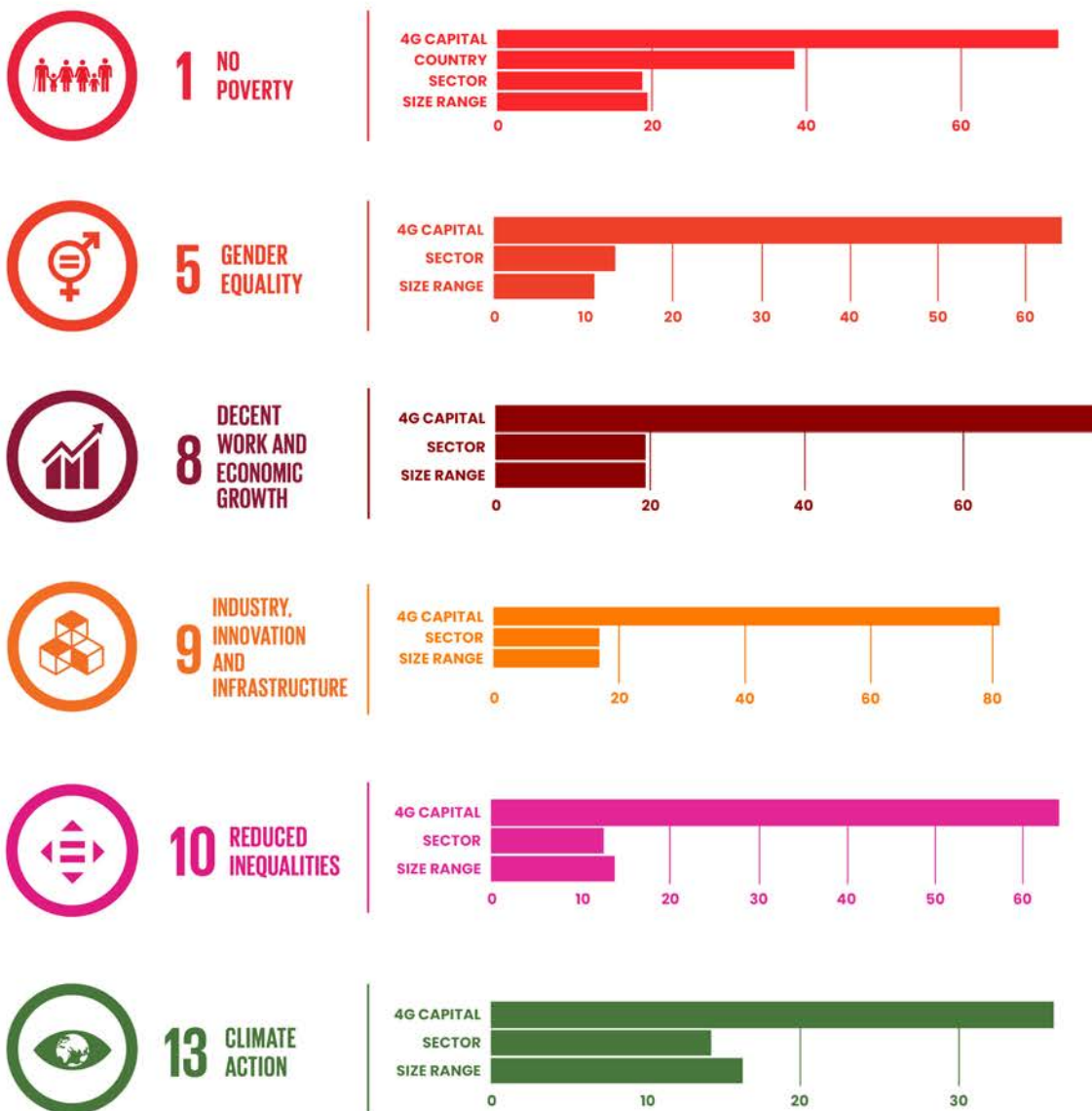
Fostering a culture of commitment to the society through community participatory activities

COMMITTED TO THE UN SDG'S

Our commitment is most closely aligned with six of the 17 UN Sustainable Development Goals (SDGs). It is here that we can make the most positive impact on the challenges presented by sustainable development.

Best in class progress on benchmark results for 6 UN SDG's

Our commitment is most closely aligned with six of the 17 UN Sustainable Development Goals (SDGs). It is here that we can make the most positive impact on the challenges presented by sustainable development. 4G Capital uses the B Corp SDG Action Manager to evaluate and set targets. Progress is re-evaluated annually and scores are benchmarked against other B Corp enterprises from the same sector and size range. These benchmarks show that 4G Capital is consistently outperforming by over double the scores of all other similarly sized or modelled B Corporations in these SDG's.



Integrating sustainability into Company strategy

4G Capital values measuring its environmental and social impact and its role in promoting sustainable development. It is committed to integrating ESG factors into its operations, decision-making, and investment strategies. The company intentionally adopts processes to drive positive social and environmental outcomes in its communities.

PILLARS SUPPORTING OUR INTEGRATION EFFORTS



ENVIRONMENT

Climate Action

- B Corp certified to meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.
- Commitment to Netzero . Kawi Partnerships with organizations providing Carbon Reducing technologies to provide subsidized asset financing.
- Moving customers from climate risk rated activities to sustainable business practices through training, partnership and opportunity.

Carbon Footprint Reduction

- Reducing wherever possible scope 1 and scope 2 emissions

Waste & Recycling

- Managing waste by reducing, reusing and recycling materials.

Natural resource Management

- Fostering efficient use of natural resources, especially energy use.
- Our operations do not have a direct negative impact on protected plants or animals

SOCIAL



Community Impact

- Our commitment to empower women in the informal economy.
 - Serving in need population that is unbanked
-



Customer Responsibility

- Our ethical credit products combine enterprise training with unsecured loans for MSMEs to power micro and small business growth to build economies and generational success.
 - Fostering a culture of employees volunteering in the communities we operate in.
-



Health & Safety

- Fostering safe working conditions for all employees and adhere to local country health and safety law
-



Labour standards

- Fostering value-driven ethical behavior and good governance practices, informed by respect for human rights
- Striving for equal opportunity, equitable economic empowerment, and diversity at all stakeholder levels
- We Provide training and skills development opportunities to the employees of 4G Capital.

GOVERNANCE



Corporate policy

- Fostering collaboration across business units to develop business products that align with our sustainability goals.
 - Partnering with The Kenya Business and Disability network to increase disability inclusion in the private sector
 - Integrated Gender 2X Challenge criteria into our business strategy, incorporating specific standards that promote gender equality
-



Data Governance & Cyber Security

- We implement a sustainability data program to improve data availability and quality, allowing us to accurately measure, analyse, and report on environmental, social, and governance factors.
 - We seek external validation for social accreditation organisations such as B Corp and SPTF + Cerise to ensuring client protection including data privacy
-



Risk Management & Compliance

- We have identified key sustainability metrics and established ambitious targets to ensure that our efforts are measurable, impactful, and aligned with our broader business strategy.
 - Regulated by the CBK and adhere to set rules, regulations and International standards on sustainability.
-



Stakeholder rights

- Client centric response lending i,e Ethical pricing, and communication
- Drive skills development and awareness on sustainability Empowering colleagues with the knowledge and tools necessary to champion sustainability practices within their respective roles.

OUR APPROACH TO MANAGEMENT OF SUSTAINABILITY

Our approach to management of sustainability is comprehensive and multifaceted and aim to create a positive impact on society and the environment while driving sustainable growth for our business.

Sustainability Governance

We have established a governance structure that ensures effective oversight, accountability and strategic alignment with our sustainability goals.

THE BOARD



EXCO



COMMITTEES



**ESG
Committee**

**Audit, Risk and
Compliance
Committee**

**Occupational
Safety & Health
Committee**

**Remuneration
committee**



ROLES AND RESPONSIBILITIES

Responsible Entity	Role	Responsibility(ies)
Board	Advisory Board	Overseeing the implementation of sustainability and ensuring that it is fully integrated into the Company's business strategy and operations.
EXCO	Decision Body	Oversight function, providing advice on risks and impact opportunities, decision making and provide approvals.
ESG Committee	ESG Advisory Panel	Developing and implementing environmental initiatives and ensuring compliance. Monitor progress towards our environmental targets and report regularly to the Board of Directors.
Audit, Legal & Compliance	Complimentary to the ESG Committee	Additional support/process oversight for ESG committee
Occupational Safety & Health Committee	Complimentary to the ESG Committee	Monitor compliance with safety and health rules
Remuneration Committee	Complimentary to the ESG Committee	Recommend to the Board for approval of policies to support management, retention, and fair and responsible remuneration of Human Capital in compliance with legal requirements & governance standards.
Impact Management	ESG Manager/Impact Director	Overall management responsibility of adherence to ESG policy, ESG response activity and engagement with stakeholders. In charge of annual review of E&S Capacity.Tracks adherence to ESMS.
Sustainability	Sustainability/ESG Officer,Data team, Loan and collection Officers (LOCO Pair), Unit Managers	Day-to-day sustainability implementation ESG screening, due diligence and monitoring Assist training customers on sustainability issues
Internal Audit Department	ESG Audit	Periodically review and assess the effectiveness of the climate risk management process.

SOCIAL IMPACT

FINANCIAL INCLUSION

Financial inclusion serves as a driver to reach individuals overlooked by formal financial providers, particularly in areas with low private sector credit penetration and limited financial inclusion. Providing rapid access, totally unsecured credit to meet customers immediate and long-term business needs with a focus on women and youth. Bring borrowers into the formal economy, with resulting social impact (credit history, greater access to services and family financial security). Achieve higher levels of economic productivity through diversification, technological upgrading and innovation. Making financial services more accessible and sustainable.

2023 Figures



**ENTERPRISE
SUPPORTED**
108,969



**FEMALE CUSTOMERS
BENEFICIARIES**
74,968



**YOUTH CUSTOMERS
BENEFICIARIES**
34,200



**ACTIVE
CUSTOMERS**
177.3K



**REPEAT
CUSTOMERS**
146.7k



**AMOUNT
DISBURSED**
121.4M



**NEW
LOANS**
126.3k



**REPEAT
LOANS**
967.7k



**LOAN
UPGRADES**
321.8k

DIVERSITY AND INCLUSION

We are committed to equal access to economic resources and basic service. Striving for equal opportunity, equitable economic empowerment, and diversity. Treat employees fairly in terms of recruitment, progression, terms and conditions of work and representation, irrespective of gender, race, colour, disability, political opinion, sexual orientation, age, religion, social or ethnic origin or health.

2023 Figures	Total	Male	Female
Total Employees (FTE)	1031	546 53%	485 47%
Total Youth Employed	938	497 53%	440 47%
Total PWDs	14	8 75%	6 25%

ENVIRONMENT IMPACT

At 4G Capital, our dedication to environmental sustainability is integral to our business ethos. By aligning our operations with these objectives, we aim to create a positive impact on the environment and build a sustainable future for generations to come.

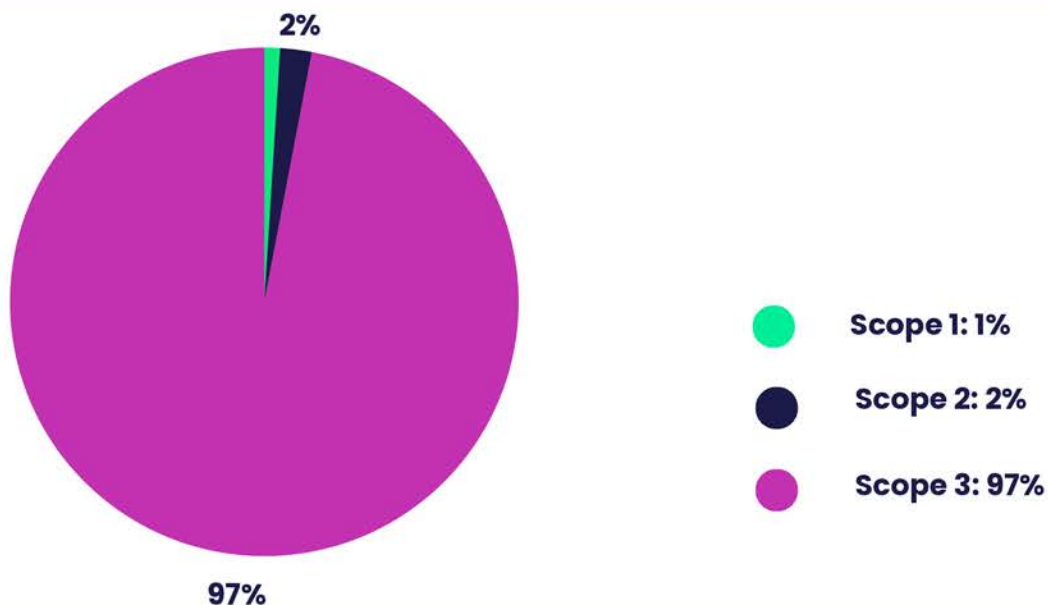
Reduction of Scope 1 and Scope 2 Emissions. We actively work to reduce our Scope 1 and Scope 2 greenhouse gas emissions and committed to effectively monitor the Carbon Footprint of 4G Capital over time. We are working on a strategy to accurately record and offset our Scope 3 emissions in the future.

Carbon Neutrality Achievement 2022

In 2022, total carbon emissions amounted to 1,388.86 tonnes CO₂e. Through the One Carbon World, 4G Capital retired up to 100 tonnes of carbon credits by supporting international afforestation projects and the United Nations Clean Development Mechanism projects.

4G Capital 2022 carbon footprint

Total Tonnes CO2e



4G Capital 2022 carbon footprint in tonnes CO2e

Summary Table

Activity	Total kg CO2e	Total Tons CO2e
Scope 1	26,675.24	26.68
Scope 2	16,378.06	16.38
Scope 3	1,345,807.46	1,345.81
Total	1,388,806.76	1,388.86
CO2e offset in 2022		100 tonnes
4G Capital Carbon Footprint		1,289 tonnes

GOVERNANCE

At 4G Capital, we are committed to embedding sustainability at the core of our operations and governance.

Leadership and Board Diversity:

We believe that diverse leadership drives innovation and enhances decision-making. We promote effective leadership and board diversity, actively fulfilling the Gender 2X Challenge criteria for financial services. 4GC commitment to gender diversity ensures that we benefit from a wide range of perspectives and experiences, fostering a more inclusive and equitable company.

2023 Figures

	Total	Male	Female
Total Board Members	6	4 66%	2 33%
Total Senior Management	7	4 57%	3 43%
Total other management	9	3 33%	6 67%

Gender Equality (2X) Eligible



ENTREPRENEURSHIP

Female Co-Founder



EMPLOYMENT

47% Female Staff



LEADERSHIP

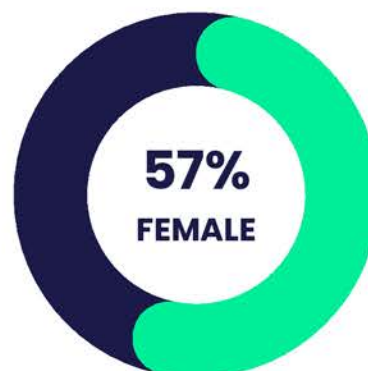
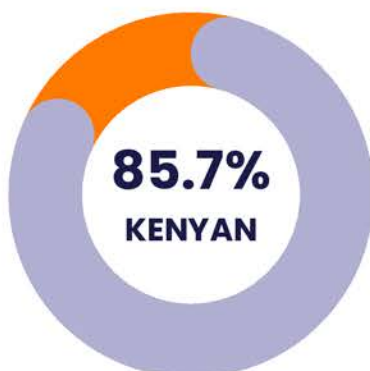
57% Females on SMT



CONSUMPTION

69% Female Customers

Senior Management Team Representation



4G CAPITAL BOARD



Wayne Hennessy-Barrett
Chair / Founder / CEO



Shakir Merali
Investor Director



Genevieve Hennessy-Barrett
Co-Founder / Director Impact



Thomas Barry
Investor Director



Arul Thomas
Board Observer



Diane Maxwell
Non-Executive Director

4G Capital Management Team



ROSEANNE MASILA
Chief Operating Officer

- Experienced Exco executive, previously Chief of Operations Support and Head of HR.
- Extensive people experience provides invaluable business insights.
- Performance culture champion and operational leader.



AUSTEN TITFORD
Chief Finance Officer

- Over 20 years experience of financial management in emerging markets.
- 8 years as CFO of growth AIM listed companies.
- CFO at 4G Capital since 2019.



JULIET KITHAMBA
Chief Of Staff

- Exceptional track record in corporate governance with over 16 years of experience.
- Astute in leading global teams and aligning diverse portfolios of projects and strategic initiatives to effectively deliver organizational strategies.



WAYNE HENNESSY-BARRETT
Chief Executive Officer

- Award winning fintech founder and entrepreneur.
- 25 years experience in strategic delivery and change.
- Former Coldstream Guards officer with worldwide active duty.



GENEVIEVE HENNESSY-BARRETT
Co-Founder & Director Impact

- Fundamental institutional knowledge having grown 4G Capital from 100 - 1000 person team.
- Senior Health Services and UN background.
- Organisational leadership, change, people and training specialist.



ROSCO WENDOOVER
Country Manager Uganda

- Passionate, people centred leader
- Decade of transformation change management and executive learnings
- Commercial start up and listed business and military experience



EDGAR RIVERA
Chief Technology Officer

- Energetic CTO/CIO with 23 years of engineering experience
- Bringing forth a proven track record of successfully building enterprise and financial applications (banking, trading and payments)

STAKEHOLDERS

Commitment to our stakeholders

At 4G Capital, we recognize that we are part of an interconnected ecosystem, where our stakeholders play a crucial role in our success. We understand that the quality of our relationships significantly influences our ability to fulfil our purpose. Therefore, we are committed to building and maintaining trust-based relationships with all our stakeholders, taking into consideration their diverse needs and expectations.

Stakeholder Engagement Table

Below, we provide details of our key stakeholders, how we engage with them, and the outcomes of these engagements.

Stakeholder	Relationship to 4G Capital	Engagement Methods	Outcomes of Engagement
Customers	Beneficiaries of our lending products and training services.	Customer surveys, Focus groups, feedback forms, whistle blowing, Horizon mobile app interactions, Call center interactions to swiftly address customer needs	Improved service delivery, enhanced customer satisfaction, tailored financial products
Employees	Our team members who drive business operations	Regular team meetings, Lunch & learn initiatives, internal newsletters	Increased employee engagement, skill development, higher retention rates
Investors	Providers of capital and funding	Quarterly reports, investor briefings, Board meetings, one on one meetings	Enhanced transparency, strong investor relations, sustained funding support
Regulatory Bodies	Entities that regulate the financial sector (CBK, KRA, FRC, ODPC) Certification entities (B-Corp, CERISE + SPTF)	Compliance audits, policy discussions, statutory regulatory filings, Client protection certifications	Ensured compliance, positive regulatory relationships, risk mitigation, client protection
Local Communities	Societal groups within our operational regions	Community outreach programs, CSR activities, Market Clean ups,	Strengthened community ties, positive social impact, community development
Business Partners	Collaborators in lending services, and training, Technical assistance facility	Strategic partnerships, Market development initiatives regular communication	Expanded service offerings, synergies in operations, mutual growth
Suppliers	Providers of goods and services required for operations	Contract negotiations, performance reviews	Reliable supply chain, cost efficiencies, quality improvements

CORPORATE SOCIAL RESPONSIBILITY

4G Capital aims to support and promote corporate social responsibility projects that align with its objectives of promoting economic empowerment and social responsibility. We aim to use business for good and create partnerships for inclusion initiatives within our area of operation. We team up with our customers to conduct market clean-ups routinely across all markets.



NUMBER OF PROJECTS

6



NUMBER OF PEOPLE

2.8K



NO OF PARTNERSHIPS

163

EMPOWERMENT OF FEMALE REFUGEES IN THE INFORMAL ECONOMY



REFUSHE

RefuSHE, a non-profit organisation operating in Nairobi is the first organisation in Kenya devoted to protecting unaccompanied and separated refugee children and youth. It has a special focus on supporting women and girls aged 13 to 23 years old from Somalia, Ethiopia, DR Congo, Sudan, Rwanda, and Burundi.

4G Capital runs a programme with RefuSHE to deliver business training and mentorship to the Girls' Empowerment Project (GEP). The GEP provides access for young female refugees to education and livelihood opportunities, learning about their human rights while cultivating leadership skills. Our partnership begins by welcoming the girls to a 4G Capital branch where they are trained in basic business principles, bookkeeping and responsible management of working capital.

RefuSHE's participants submit a business plan and are paired with successful female entrepreneurs, all customers of 4G Capital, who partner with them to teach them about running a business. These customers often become long-term mentors for the girls following the conclusion of the programme.

CREATING PARTNERSHIPS FOR INCLUSION INITIATIVES



TANGULBEI MATERNITY CLINIC

4G Capital collaborated with the Sovereign Order of Malta to aid in the establishment of a maternity ward at the Catholic Mission hospital in Tangulbei. Situated in the remote reaches of North West Kenya, Tangulbei, although small with a formal population of 4,979, holds significant importance as it resides within the territory of the semi-nomadic Pokot people, totaling almost 150,000 in number. Spearheaded by its Founder, Wayne Hennessy-Barret, 4G Capital facilitated the provision of surgical equipment generously donated by the Mordaunt family. Challenges such as high infant mortality rates, averaging 30% in Tangulbei, limited access to healthcare, especially for Pokot women due to the area's remoteness, and insufficient resources and equipment at the clinic, particularly for maternity care, underscored the critical need for this initiative.

DEVELOPMENT OF DEBT STRESS EARLY WARNING SYSTEM FOR CUSTOMERS EXPERIENCING FINANCIAL DISTRESS



FINANCIAL STRESS WARNING

CGAP and 4G Capital embarked on a pilot of a financial stress early warning system. Modeled after famine early warning systems, the aim is to monitor lead indicators of financial stress proactively, enabling timely interventions to prevent harm to borrowers and mitigate risks within the financial sector. The system focuses on tracking coping strategies adopted by borrowers in response to financial challenges, which can range from mild adjustments to severe measures such as skipping meals or pulling children out of school. Initial data from the pilot reveals that despite maintaining high repayment rates, a significant portion of 4G Capital's customers experience varying degrees of financial stress. This stress is not limited to any particular gender and can manifest in sacrifices of basic needs to sustain businesses and loan repayments. The early warning system serves as a tool for lenders and regulators to assess and manage the effects of financial stress as part of broader risk management strategies. While the indicators used are specific to Kenya, similar tools can be developed for other markets based on available data on financial stress and coping strategies. Moving forward, the next phase involves testing the predictive capabilities of the system to anticipate future customer behavior, such as delinquency and default. This will provide valuable insights into the effectiveness of the early warning system in preventing adverse outcomes and safeguarding borrowers.

FOSTERING A CULTURE OF COMMITMENT TO THE SOCIETY THROUGH COMMUNITY PARTICIPATORY ACTIVITIES



WAITHAKA SCHOOL & NGAMWAZA CHILDREN HOME

In 2021, 4G Capital partnered with Waithaka Special School as part of its Corporate Social Responsibility (CSR) initiative. This collaboration aimed to support vulnerable children living with special needs, aligning with Waithaka Special School's mission. As part of this partnership, 4G Capital provided school fees for 23 children, repaired a classroom, and fixed dormitory windows, ultimately benefiting a total of 407 individuals associated with the school. Continuing its commitment to positive impact, in 2023, 4G Capital partnered with Ngamwaza Children's Home to provide essential support. This partnership supplied food and educational materials to 50 children, including 20 boys and 30 girls. Through these tangible actions, 4G Capital has demonstrated its dedication to improving the lives of vulnerable children and contributing to the betterment of the community.

BONGA POINTS PROGRAM

The program is designed to support customers who have experienced significant hardships, such as natural disasters (droughts, floods) or severe health issues (terminal illnesses, untimely death). Originally, we provided a mourning hamper worth KES 2,000 to the needy families of customers affected. However, this initiative was discontinued, to continue offering support, we transitioned to utilizing Bonga Points. Since the shift in 2020, the project has positively impacted 306 customers across various sectors. We have utilized Bonga Points valued at KES 472,063 to provide this support. Enhanced our supplier relationship with Safaricom where they play a crucial role in this process by assisting with the redemption of points from staff accounts to a central number, which then facilitates the distribution to the beneficiaries. This transition to using Bonga Points has allowed us to maintain our commitment to helping customers in times of need. The program is ongoing and continues to offer essential aid, demonstrating our dedication to supporting our community through challenging times.

ACTION PLAN 2024 AND BEYOND

Theme	Action 2024
Impact Measurement & Management	<p>We have planned to reach Net Zero by taking the following action:</p> <ul style="list-style-type: none">• Kawi partners with organizations offering carbon-reducing technologies (such as electric bikes, solar panels, and eco-briquettes) to provide subsidized asset financing for their end customers. The resulting sales increase will be measured and used to offset our carbon emissions.• Minimizing all 4G Capital scope 1 and 2 emissions wherever possible and striving to report on scope 3 emissions.• Transitioning customers from climate risk-rated activities to sustainable business practices through training, partnerships, and new opportunities
Standards, regulations and Certification	<p>Client Protection Certification using the new SPTF + CERISE Digital Financial Services Standards.</p>

