ESG Report

Responsible practices, sustainable growth

This Environmental, Social, and Governance ('ESG') report outlines the Company's commitment to responsible business practices and sustainable growth. It provides an overview of our ESG performance, showcasing our efforts to integrate sustainability into our operations while creating long-term value for stakeholders.

ESG Report (continued)

Environmental

Environmental encompasses areas that are affected by environmental factors, which is a two-way relationship that involves both the impact of the Company on the environment and the impact of the environment on the Company.

→ Read more on **page 63**

Social

Social denotes the Group's approach to managing relationships with colleagues, clients and communities.

→ Read more on **page 54**

Governance

Governance pertains to the various aspects that promote good governance practices and enable the Group to establish itself as a responsible business.

→ Read more on **page 84**

This Environmental, Social, and Governance ('ESG') report provides an overview of the ESG performance of the Company, highlighting its commitment to responsible practices.

Throughout 2024, the Company has achieved progress towards its climate goals and Diversity, Equity, and Inclusion ('DEI') targets while setting new objectives for 2025. Policies and surveys assessing client and employee impact and satisfaction have been thoroughly reviewed, with ongoing enhancements to improve practices, data quality and insights. The Company has also undertaken numerous initiatives to support and engage with the communities in which it operates. Additionally, a comprehensive scenario analysis was conducted to assess long-term implications and potential financial risks of climate change and the Company has started exploring the concept of double materiality to better understand the broader impact of its operations.

ESG Report (continued)

Advancing the SDGs

Through its responsible business model, the Group actively supports the sustainable development agenda, working most actively towards the five Sustainable Development Goals ('SDGs') below.

→ Read more about our Socially responsible business model on pages 11 and 55.

Other UN SDGs supported

Through its community projects and environmental commitments, the Company aims to contribute, albeit on a smaller scale, to the prevention of hunger, good health and well-being, quality education, clean water and sanitation, sustainable cities and communities, climate action and partnerships for the goals.

→ Read more on pages 61 and 62

2 ZERO HUNGER · 3 GOOD HEALTH AND WELL-BEING · 6 CLEAN WATER AND SANITATION · 7 AFFORDABLE AND CLEAN ENERGY · 11 SUSTAINABLE CITIES AND COMMUNITIES · 13 CLIMATE ACTION · 14 LIFE BELOW WATER · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS · 17 PARTNERSHIPS FOR THE GOALS

Target focus areas:
SDG 1: 1.2, 1.4, 1.5

1 NO POVERTY

No poverty

The Company is committed to making a social impact, being a microfinance institution providing socially responsible financial services, such as loans, targeted at predominantly low-income female, small business owners. The Company is driven by advancing financial inclusion, by increasing the number of female low-income micro-entrepreneurs with little or no access to formalised credit resources, increasing self-employment opportunities, and thereby, alleviating poverty.

Total loans disbursed (USD)

1,106.7m

Clients served

2.5m

Target focus areas:
SDG 5: 5.5, 5.a, 5.b

5 GENDER EQUALITY

Gender

As women generally have good loan repayment behaviour and money management, the Group is convinced that by serving primarily women through business loans, the Group enhances these women's independence and decision-making stature at home and in their communities. Additionally, the Company is committed to providing equal opportunities for employment and promotion.

→ Read about our DEI efforts on page 60

Female clients

97%

Gender diversity employees

38%

Target focus areas:
SDG 8: 8.3, 8.5, 8.10

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth

The Company provides socially responsible employment opportunities to employees and services to its clients. The increased earnings of the Group's clients are used to expand their businesses. Many clients buy and sell goods and the increased trading activity boosts the local economy.

→ Read about how we support colleagues on page 57

Employees

14.2k

Employee satisfaction rate

75%

Target focus areas:
SDG 9: 9.3, 9.4

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Industry, innovation and infrastructure

The Company supports industry, innovation and infrastructure by increasing the access of small-scale enterprises to financial services and through the establishment of an extensive branch network and operations across thirteen countries. Our move towards also offering digital financial services further enhances innovation and scalability.

→ Read about our digital journey on page 18

Branches

2,145

Taxes (USD)

35.0m

Target focus areas:
SDG 10: 10.1, 10.2

10 REDUCED INEQUALITIES

Reduced inequalities

By offering loans to women, the Group enables the use of disposable income for essential household needs, such as education, health, nutrition, sanitation, and housing. This supports economic development and leads to socioeconomic progress in the communities. Additionally, 0.5% to 1% of operating subsidiaries' profits fund projects related to health, education, and relief, benefiting the communities where our clients reside and work.

→ Read about our community initiatives on pages 61 and 62

Community projects spend (USD)

0.4m

Social Performance Indicator ('SPI')

85%

ESG Report (continued)

Socially responsible

Embedded social responsibility

In line with ASA International's purpose, the social aspect of ESG is engrained in its daily operations. The Company is committed to acting responsibly and safeguarding the interests of its stakeholders while adhering to human rights. The lending ASA Model is at the heart of how the Company serves its clients, community, and colleagues.

Universal Standards for social performance

Our average scores on the seven dimensions of the Universal Standards as part of internal SPI assessment.

	2024	2023
Social Strategy	87%	92%
Committed Leadership	92%	91%
Client-centred Products and Services	77%	85%
Client Protection	91%	94%
Responsible Human Resource Development	92%	96%
Responsible Growth and Returns	95%	96%
Environmental Performance Management	63%	77%

ESG Report (continued)

Prioritising our clients

The Group prioritises the well-being and empowerment of its clients. Through a holistic approach, it integrates principles of client protection and engagement across its operations.

Fostering financial inclusion

The Group recognises the importance of promoting financial inclusion as a catalyst for socioeconomic progress. To ensure its services remain accessible and affordable, the Group rigorously benchmarks its loan interest rates against equivalent providers in its operating subsidiaries, integrating competitive pricing as a core aspect of the ASA Model. Beyond affordability, the Group enhances access through its standardised, transparent lending model, which includes no collateral requirements, doorstep service, and group-based lending, without joint liability. Additionally, the Group continues to expand and explore digital solutions to further improve efficiency and accessibility. Its transparent pricing policies, aligned with market averages, reflect a commitment to providing value while safeguarding financial sustainability.

ASA Kenya: Pacesetters International Award for impacting lives through Digital Credit by Jubilant Stewards of Africa ('JSA').

ASA Uganda: Recognition for outstanding focus on advancing agribusiness finance to smallholder farmers in underserved regions of Northern and Eastern Uganda by aBi Finance Quarterly Stakeholder Engagement Awards.

Empowering through responsible lending

Empowering clients through responsible lending is central to the Group's ethos, embedded within the ASA Model. Loan officers assess the needs and capacities of potential clients, evaluating both repayment capabilities and the potential impact of loans on their businesses to prevent over-borrowing. The Group offers fair and transparent products with clear terms, no hidden fees, and financial education to help clients make informed decisions. Additionally, strict data security measures protect client information, fostering trust and ensuring long-term financial well-being. Through this approach, the Group empowers clients to unlock their full potential for economic growth.

ASA Ghana: Sustainable microfinance model and highest outreach in rural areas from Ghana Microfinance Institutions Network.

Upholding Client Protection Principles

Transparency and accountability are fundamental pillars of the Group's client-centric approach. It adheres to the Client Protection Principles ('CPP') developed by the SMART Campaign, which describe the minimum protection that microfinance clients should expect from their providers, as well as the protection that an institution should maintain to serve the best interests of its clients. As part of its commitment to upholding client protection, the Group evaluates its adherence to the CPP through the Client Protection Standards as a key component of its Social Performance Indicator assessment. By maintaining the highest standards of client protection across all aspects of their business, the Group fosters trust and confidence in its relationships with clients.

Read more on our website
https://kenya.asa-international.com/client-stories/lilaes-farming-venture/

ESG CASE STUDY

Cultivating change through farming and finance

In Ngatu Village, Kajiado, Kenya, 51-year-old Lilae Roika has transformed a four-acre plot into a thriving farm, growing maize, beans, potatoes, and bananas — an uncommon path in her Maasai community.

Inspired by a childhood friend, she embraced farming, using its proceeds to educate her six children through university.

In 2018, Lilae joined ASA, taking a KES 20,000 loan to expand her bead business. By 2020, she moved her shop closer to home and formed the Namunyak women's group, now 80+ members strong, enabling village women to access capital. With ASA's support, Lilae has grown her farm, investing in water systems and pesticides.

Challenges persist, from droughts that decimated her livestock to baboon invasions destroying crops. Still, she's implementing resilience strategies, including fodder storage and water conservation.

As a church leader and mentor, Lilae finds fulfilment in empowering women. "Our society thrives when women take charge of their finances," she says. Through farming and financial inclusion, she's changing lives, starting with her own.

ESG Report (continued)

Prioritising our clients (continued)

Listening and responding to feedback

The Group values the feedback of its clients and is committed to addressing their concerns promptly and effectively. Through mechanisms such as the Client Complaint Resolution Committee ('CCRC'), clients have a platform to voice their feedback and lodge complaints regarding services or staff behaviour. These open and transparent communication channels help the Group continuously improve its practices and better serve clients' needs. In 2024, a total of 416 complaints were received and resolved across the Group. Complaints were related to operational issues, such as service delivery, loan denials and loan officer behaviour. The reported issues were resolved through policy discussions and clarifications with clients and educating staff.

Measuring impact and ensuring client satisfaction

Measuring impact and ensuring client satisfaction are central to the Group's mission. True success lies in the tangible benefits clients gain from its services. Using tools like the Social Performance Indicator ('SPI') and Client Economic Yield ('CEY') survey, the Group internally assesses its impact on client well-being and economic empowerment.

Client satisfaction remains high, consistently above 80%, with clients valuing the loan approval process, loan duration, and the responsiveness and fair treatment by loan officers. A new data analysis methodology introduced this year has reduced bias and provided deeper insights. While this led to a slight decrease in reported satisfaction figures, it offers a more accurate view of client experiences. A detailed dashboard now helps each operating country identify and address key areas for improvement.

ESG CASE STUDY

Leading the way: Client group leadership training

In celebration of Independence Day, 170 client group leaders from across the Philippines gathered for an inspiring face-to-face training programme themed "Landas SA Pag-unlad", translating to "Pathway to Progress." This training, designed to share insights and enhance leadership skills, marked the beginning of a nationwide rollout across all 400 branches, reaching 37,000 (>50%) group leaders and loyal clients. During these gatherings personal success stories that reflect the impact of financial inclusion are shared. One such story is that of Ms. Lorna Lobo, a loyal client for 15 years. Through ASA International's support, her small sari-sari grocery store has expanded more than tenfold, enabling her to provide for her children's education. She attributes her success to the programme's client-friendly loan structure and accessible weekly payments. Group leaders play a vital role in the ASA Model, not only motivating their groups but also transferring valuable knowledge and best practices, creating a ripple effect of empowerment and progress.

In Uganda, for instance, client feedback led to adjustments in the loan ceiling, insurance policies, guarantor requirements, and complaint resolution process.

The Group scored 85% overall, with strong performance in client protection, leadership, HR, and growth. Environmental performance was the lowest, mainly due to no green loans, though training and risk awareness are in place. As this is a self-assessment, some variation is expected. The dimensions which have declined are under review.

→ See the score per dimension on page 54

Due to ongoing improvements to the CEY questionnaire, data quality issues prevented this year's disclosure. A revised questionnaire, addressing client challenges in bookkeeping, is now being piloted in Kenya alongside targeted training. If successful, a phased rollout across all entities may follow.

→ Read more about how the tools and indicators for protecting clients are calculated on pages 205 and 206 and see the impact of the loans on clients in our outcome indicators on page 7

→ Read more about the Group's policies and practices to protect clients on pages 82 and 83

Client retention rate

80%

2023: 77%

Client satisfaction rate

84%

2023: 90%

Social Performance Indicator ('SPI')

85%

2023: 90%

→ Read more on our KPIs on page 22

ESG Report (continued)

Supporting our colleagues

The Group is committed to fostering a supportive and inclusive workplace environment where colleagues can thrive and grow professionally. Through various initiatives and policies, the Group endeavours to recruit, develop, and retain talent while ensuring motivation, well-being and safety of all employees.

Recruiting young talent

The Group focuses on recruiting young graduates, often from rural or semi-urban backgrounds, who are passionate about working with low-income communities. Despite economic and political challenges in some regions, the Group successfully onboarded 5,085 new team members, of which 42% were female, across its operating subsidiaries in 2024. This recruitment strategy ensures the Group continues to bring fresh perspectives and energy to its mission of financial inclusion.

Training and development

To nurture this talent, the Group emphasises on-the-job training, supplemented by a comprehensive 12-day Pre-Service Orientation ('PSO') programme. During PSO, new colleagues are introduced to the Company's heritage, mission, core values, Code of Conduct, HR policies, loan appraisal process, client selection, and financial procedures, among other essential topics. In 2024, 7,718 employees underwent PSO, equipping them with the foundational knowledge and skills needed to excel in their roles.

Training continues to play a pivotal role as employees advance into senior positions, covering a wide range of areas such as anti-money laundering, diversity and inclusion, skill development, crisis management, cybersecurity, digitalisation, and role-specific training. In 2024, the Group recorded a total of 14,821 training attendees and 77,350 hours of training, underscoring its commitment to continuous learning and development.

ASA Tanzania/Zanzibar:
Contribution to Human Resources practice from the Higher Education Loan Board of the Government of Tanzania.

Encouraging growth and advancement

Promotion opportunities are offered to employees who demonstrate strong leadership qualities and embody the Company's values and core principles of the ASA Model. With a staff retention rate of 75%, retention is slightly improving. In some countries, turnover is already low, while in others it remains a focus area, with efforts aimed at supporting long-term careers and advancement within the Company. In 2024, 1788 promotions were recorded, with a notable percentage of loan officers advancing to assistant branch managers. 32% of the total promotions were awarded to female employees.

→ Read more about employee development and value embodiment on page 19

ESG CASE STUDY

Fostering excellence: Q3 Performance Recognition Event in Rwanda

In Q3, the Company held a Performance Recognition Event in Rwanda to celebrate outstanding achievements and reinforce a culture of professionalism and excellence. The initiative aimed to boost motivation, strengthen team morale, and inspire employees to strive for high performance.

A top-performing branch manager and loan officer were recognised based on key performance metrics, including customer growth, loan portfolio expansion, deposit mobilisation, and loan recovery. The selected employees were invited to the Head Office, where they received certificates of recognition from the CEO in the presence of staff.

The event fostered a sense of pride and healthy competition among employees. Several employees mentioned feeling inspired to improve their own performance and contribute more to the team's success.

By recognising excellence, the Company is also creating a more engaged work environment. Encouraged by its success, performance recognition will continue quarterly as a core part of employee engagement and motivation.

Prioritising employee satisfaction and well-being

Supporting colleague satisfaction and well-being is key to a positive work environment. The Group's annual employee satisfaction survey reports a 75% satisfaction rate, with most employees feeling valued, treated fairly, and connected to the Company's mission. However, feedback highlights areas for improvement, particularly in staff accommodation, benefits, work-life balance, and stress management, which remain priorities.

A new data analysis methodology introduced this year has reduced bias and provided deeper insights. While this led to a slight decrease in reported satisfaction figures, it offers a more accurate view of employee experiences. A detailed dashboard now helps each operating country identify and address key areas for improvement.

ESG Report (continued)

Supporting our colleagues (continued)

Employee satisfaction rate

75%

2023: 81%

Staff retention rate

75%

2023: 74%

Gender diversity

38%

2023: 37%

Training hours

77,350

2023: 67,107

→ Read more on our KPIs on **page 22**

Implementing robust mechanisms for addressing employee concerns

The Group has implemented robust mechanisms to address employee concerns and maintain a constructive work environment. Employees are encouraged to report any actions that may violate laws, regulations, or Company policies through a whistleblowing system. In 2024, four whistleblowing incidents were reported across the Group. Investigations were completed and submitted to the Whistleblowing Officer, with a decision by the disciplinary committee following. To further strengthen the whistleblowing framework, the policy and training materials are currently undergoing revision.

To further enhance transparency and accountability, the Grievance Mitigation Committee ('GMC') addresses appeals and complaints related to workplace issues. In 2024, the GMC received a total of 22 appeals and ten direct complaints. Investigations into these cases led to corrective actions such as warnings, fund recoveries, transfers, summary dismissals, and termination of contracts. Preventative measures include ongoing training sessions and awareness programmes to ensure employees feel supported and valued.

→ Read more about how whistleblowing is overseen on **page 102**

Ensuring employee health and safety

The Group continues to prioritise the implementation of strict protocols to ensure the health and safety of its employees. These protocols include the regular monitoring and control of health and safety risks, the provision of safety and awareness training and the enforcement of preventive measures. In addition, a three-tiered accident and incident monitoring system is in place, as well as the integration of health and safety committees and occupational health checklists in each operating subsidiary, ensuring comprehensive supervision and monitoring throughout the Group. In response to workplace incidents or illnesses, the Group quickly implements emergency measures or corrective actions. It is worth noting that 222 accidents and two fatalities (health issues) were recorded during the year. In response to the number of accidents increasing, the Group has proactively engaged countries with high accident rates to improve safety measures. Despite robust safety measures, including traffic rule enforcement, license requirements, helmet use, vehicle maintenance, and awareness campaigns, 82% of accidents involved motorcycles.

→ Read more about health risks on **page 46**

ESG Report (continued)

Supporting our colleagues (continued)

Cultivating inclusive corporate culture

We foster a dynamic corporate culture built on our values of integrity, professionalism and teamwork.

Core values driving our culture

Professionalism

We uphold responsible, reliable, and accountable leadership, ensuring operational efficiency, role ownership, and a commitment to continuous learning.

Integrity

We maintain consistency, trust, transparency, respect, and equality, adhering to high ethical standards while fostering fairness in all interactions.

Teamwork

We cultivate a collaborative and supportive environment that encourages knowledge sharing and empowers team members to achieve common goals.

Committees upholding sustainable growth, inclusion, and accountability

Executive Committee

Provides strategic leadership and decision-making to drive business growth, operational excellence, and alignment with organisational goals.

Diversity, Equity, and Inclusion ('DEI') Committee

Promotes a diverse, inclusive, and equitable workplace by fostering policies and initiatives that support equal opportunities and representation.

Sustainability Committee

Oversees the integration of ESG principles into business strategy and operations, ensuring long-term sustainability and responsible growth.

Grievance Mitigation Committee

Facilitates a structured process for addressing employee concerns, ensuring a fair and transparent resolution mechanism to maintain a positive work environment.

Client Complaint Resolution Committee

Ensures prompt and fair resolution of client concerns, enhancing service quality and reinforcing customer trust and satisfaction.

Monitoring progress and ensuring transparency

Staff and client satisfaction surveys
→ Read more

Diversity and inclusion metrics
→ Read more

Stakeholder feedback
→ Read more

Grievances received
→ Read more

Health and safety data
→ Read more

Regular reporting to ExCo and Board
→ Read more

Internal and External Audits
→ Read more

ESG CASE STUDY

Celebrating culture and unity: ASA Uganda's Independence Day

To honour Uganda's rich heritage and promote national pride, ASA Microfinance Uganda Ltd celebrated the country's 62nd Independence Day by encouraging staff to wear cultural attire. This initiative highlighted the importance of diversity in fostering unity and strengthening Company culture.

Employees embraced the celebration, appreciating the opportunity to showcase their cultural backgrounds. The event fostered a sense of belonging, boosted morale, and strengthened team cohesion by encouraging collaboration and mutual understanding.

Beyond Independence Day, ASA Uganda continues to cultivate a dynamic and inclusive Company culture through initiatives that celebrate diversity and promote employee engagement. Events like "Back to School", where staff wear school uniforms, further reinforce a positive work environment. By integrating cultural appreciation into the workplace, ASA Uganda nurtures an engaged, motivated, and unified workforce that thrives on shared values and respect for diversity.

ESG Report (continued)

Supporting our colleagues (continued)

ASA Tanzania breaking bias and empowering change through training

To tackle the challenges of bias in decision-making, leadership, customer service, and culture, 844 employees engaged in the Bias-Free Training programme in 2024, bringing the total number of participants to 1,070.

This comprehensive training, delivered through interactive workshops and e-learning, focused on addressing unconscious biases and promoting inclusive leadership and service.

The programme has already driven significant changes in both behaviour and policy, enhancing leadership practices, improving customer interactions, and fostering gender inclusion. With continued support and ongoing initiatives, we remain committed to building a more inclusive and diverse workplace culture.

Programme participants

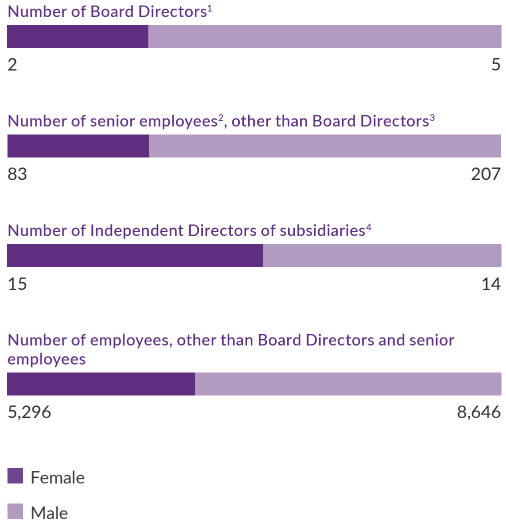
844

Promoting diversity and inclusion

As a global company active in 15 countries, the Group celebrates its culturally diverse workforce. In terms of gender, in 2024, the operating subsidiaries represent 37.6% of the Group's overall female representation, broken down into East Africa: 14.6%, West Africa: 9.5%, East Asia: 9.7% and South Asia: 3.9%. Due to cultural reasons in South Asia and safety issues related to travelling alone, hiring women continues to be a challenge in this region, which impacts the Group's overall gender representation. Female representation at the senior leadership level at subsidiary level is 28.6%. In terms of age, 45% of the Company's employees are under 30 years old and 1% over 50.

Efforts to improve gender representation include the formation of a Diversity, Equity, and Inclusion ('DEI') Committee, the approval of a DEI policy, and the establishment of goals and targets to improve gender representation at various organisational levels across all entities. Improving female representation is a key priority for us, aligned with our mission and commitment to female empowerment and creating inclusive opportunities for women. Progress on these targets is regularly evaluated through progress reports and biannual meetings with the DEI Committee and the CEOs of the operating subsidiaries. These meetings not only assess progress but also focus on addressing the challenges when targets are not met. These goals have led to significant achievements, including DEI training for over 1,000 leadership members, female representation in Committees and interview panels across nearly all countries, and bias-free training for more than 3,750 colleagues, reinforcing the Group's commitment to fostering an inclusive workplace where all employees feel valued and respected.

ASA India: Nominated for Elaben Memorial Award for best women-friendly microfinance institution by Sa-Dahn.



Read the diversity listing rule disclosure on pages 107 and 108

1 Includes Non-Executive Directors, excluded from Group headcount calculations. Figures as at 31 December 2024.
2 Senior employees identified as material risk-takers who are not Directors or subsidiary Directors.
3 Includes subsidiary Directors who are excluded from Group headcount calculations.
4 Not including Directors appointed on the Board of the plc.

ESG Report (continued)

Engaging our communities

The branches of the operating subsidiaries, being an integral part of the communities in which they operate, undertake social impact initiatives to fulfil their commitment to social welfare.

The initiative of these projects predominantly lies with the field staff at the branch level, as they maintain regular contact with clients and the community and understand their needs. To fund these activities, the Company's subsidiaries allocate a percentage of their profits, typically between 0.5% and 1%, except in countries such as India, where regulations stipulate a higher percentage of 2%. The projects are highly regarded by colleagues, clients and the wider community, and focus on improving health, education, environment or providing disaster relief.

ASA Ghana: CSR Excellence Award by Centre for CSR

Health

Contributing to the health and well-being of the community, especially to that of the most vulnerable, is a vital aspect of improving their lives. The Company conducts many different projects in this field, such as wheelchair distributions, health camps and medical screenings in collaboration with reputable health organisations. To reduce waterborne diseases, the installation of water filters, tanks, treatment plants and boreholes at schools or in the communities are organised.

Impact indicators 2024

- 2,813 people with disabilities supported.
- 1,500 individuals benefited from borehole installations.
- 53 health camps conducted reaching approximately 7,901 people.
- Over USD 34k spent on health-related donations to individuals and hospitals.

Improving accessibility in Tanzania

In Tanzania, we provided essential building materials, such as cement, blocks, and sand, to support the construction of accessible homes and schools for people with disabilities. The design includes ramps with handrails, wide corridors for wheelchairs, and enhanced lighting and colour for those with low vision. In 2024, 25 individuals benefited, bringing the total to 150 people supported since its inception. The project will continue to expand, with the school still under construction, ensuring greater accessibility and opportunities for students with disabilities.

Education

Receiving quality education is a key factor in advancing socioeconomic progress and escaping poverty, since higher levels of education are associated with increased financial independence and greater ability to create wealth and participation in the economy. Therefore, various projects have been initiated which encourage learning and development, such as student bursaries, distributing educational materials and necessities to schools and a tutoring programme called ASA Pathsala.

Impact indicators 2024

- Over 5,500 attendees of ASA Pathsala classes.
- 382 students received a bursary or scholarship fund, amounting to almost USD 25k.
- USD 145k spent on donations to schools directly reaching 23,000 children.

Empowering education in Ghana

Education transforms lives, but financial barriers often limit access. To bridge this gap, the Student Bursary Programme was launched in Ghana, supporting students from families in need. Since 2022, it has benefited 369 students across primary, secondary, and tertiary levels. In 2024, 170 children of active loan clients received GHS 1,000 each, easing educational costs and reducing dropout rates. With plans to support 375 students in 2025, the programme continues to grow, ensuring brighter futures through education.

ESG Report (continued)

Engaging our communities (continued)

2024 performance

USD spent

439k

Programme participants

151k

Initiatives

861

Environment

The Company is dedicated to cultivating resilient communities, promoting environmental stewardship, and building sustainable environments for future generations. In alignment with its environmental sustainability initiatives, the Company spearheads tree planting projects and recycling initiatives. These collaborative efforts involve clients, colleagues, communities, local governments, forestry commissions, and schools. Together, they combat carbon emissions, rejuvenate surroundings, and fortify environmental resilience against natural challenges.

Impact indicators 2024

- 27,700 trees planted.
- Four solar systems installed in communities.

→ Read more about Kenya's climate smart agriculture training on page 49 and solar panel installations in Nigeria on page 78

Powering communities in Pakistan

In 2024, ASA-MFB installed solar energy systems in two government Girls' High Schools, addressing frequent power outages that previously disrupted learning for hours. By ensuring uninterrupted electricity, the initiative has extended study hours, improved the educational environment, and reduced operational costs. Focused on schools in low-income areas, it also promotes sustainability by replacing diesel generators with clean energy, lowering carbon emissions. With positive feedback from students and staff, ASA-MFB plans to install solar systems in six more schools this year.

Disaster relief

Efforts are diligently undertaken to promptly respond to emergency situations, ensuring the safety and well-being of our clients during times of distress through robust capacity-building initiatives. This entails equipping individuals with essential resources to enhance their resilience in the face of adversity. In the event of natural disasters, our support encompasses the provision of vital necessities, including food, shelter, and medicine. Our commitment to relief extends beyond immediate emergencies, addressing foundational needs, such as food security and access to adequate housing.

Impact indicators 2024

- Over 20,000 natural disaster relief programme participants.

Flood relief in Myanmar

In 2024, ASA Myanmar provided urgent relief to 569 clients across eight branches affected by Typhoon Yagi in Bago division. Families facing severe food and medicine shortages received essential supplies, including rice, noodles, onions, salt, and medical aid. ASA Myanmar's swift response helped stabilise communities, ensuring immediate food security and easing the burden of recovery. With over five years of disaster relief experience, the organisation remains committed to supporting vulnerable clients in rebuilding their lives after crises.

ESG Report (continued)

Environmental responsibility and resilience

Operating in an environmentally responsible manner requires the Group to consider both its impact on the environment and the environment's impact on the Company. This dual perspective is crucial, particularly considering the urgent need to address climate change.

Mitigation of emissions

The Group is actively working to reduce its environmental impact as part of its sustainability commitment. By identifying key areas, they have implemented targeted short-term measures to lower carbon emissions, improve energy efficiency, and conserve vital resources.

→ Read more about the Company's emissions on page 81 and its climate targets on page 78

Guided by ESMS and environmental policy

Guided by its Environmental and Social Management System ('ESMS') and environmental policy, the Group is committed to responsible environmental stewardship. These frameworks outline clear policies and procedures to minimise negative impacts and promote sustainable practices across its operations.

Responsible investment practices

Through its exclusion list, the Group upholds rigorous standards for responsible investment. By refraining from financing activities that could harm biodiversity or the environment, the Group ensures that its business practices align with its environmental values and adhere to international conventions.

Promoting sustainable travel

The Company actively promotes responsible and sustainable travel practices, particularly emphasising eco-conscious decisions in air travel, as outlined in its travel policy effective December 2022. While acknowledging the importance of visiting operations and engaging with clients and colleagues in person, the Company remains committed to minimising its environmental impact. Through these efforts, the Company aims to align its travel decisions with its sustainability goals.

Measuring greenhouse gas ('GHG') emissions

The Company adheres to the Streamlined Energy and Carbon Reporting ('SECR') standard. This initiative enables the Company to disclose its energy and carbon data, facilitating the monitoring of emissions and energy efficiency efforts over time. Through SECR, the Company ensures transparent and consistent reporting of its environmental impact, thereby identifying opportunities for further improvements in sustainability performance.

→ Read the SECR report on pages 80 and 81

Adaptation to climate change

The Group recognises that climate change poses a risk to its operations and acknowledges the need to address this risk. To ensure transparency and accountability, the Company is committed to aligning with the Task Force on Climate-related Financial Disclosures ('TCFD') framework, enabling disclosure to investors and stakeholders regarding its strategies to manage climate-related risks and opportunities.

→ Read the report on pages 65 to 79

Assessing climate risks

In 2024, the Company conducted two key assessments. First, a scenario analysis was carried out to assess both transitional and physical risks related to climate change. This included evaluating the potential impact of natural disasters such as floods and earthquakes on its resources and overall operations. The second assessment, the Natural Calamity Impact Assessment ('NCIA'), offers further insights into the Company's susceptibility to natural disasters. Six operating subsidiaries were impacted by natural calamities this year, affecting both operations and finances. The Philippines faced frequent typhoons, disrupting field activities and increasing Portfolio at Risk ('PAR'), while Zambia's severe drought impacted agriculture and hydroelectric power generation. These assessments help the Company identify adaptation needs, mitigate risks, and enhance resilience.

→ Read the scenario analysis on page 69 and read more about disaster response on page 62

Emergency preparedness and response

The Emergency Preparedness and Response Plan ('EPRP') is crucial for the Company's adaptation efforts, particularly in the face of increasing natural disasters. Its objective is to protect resources, clients, and staff, ensuring the integrity of critical information and sustaining essential operations and services. The plan outlines strategies and procedures for emergency management and response. With the EPRP in place, the Company can effectively prepare for and mitigate the impacts of emergency situations, enhancing resilience in times of adversity.

→ Read more about the environmental policies and practices on page 82

Carbon footprint

7,489

Tonnes of CO_2

ESG Report (continued)

Task Force on Climate-related Financial Disclosures ('TCFD')

As required by the Financial Conduct Authority ('FCA') Listing Rules, ASA International aligns with the TCFD on a comply or explain basis to provide transparent data to investors and other stakeholders about the material risks and opportunities of climate change for the Company. Disclosures are made consistent with the FCA's Listing Rule 9.8.6R(8) and the TCFD recommendations and disclosures. This is the fourth year the Group is implementing and reporting on the recommendations of the TCFD and we are continuing to mature our approach. In this report, the Group shares the key developments and the status of the four core elements of the TCFD recommendations.

Key activities in 2024

Governance

Continued Board oversight

Read more on page 66

Strategy

Conducted scenario analysis

Read more on page 67

Risk management

Climate risk considered quarterly

Read more on page 67

Metrics and targets

Met targets for 2024 and set targets for 2025

Read more on page 78

Governance

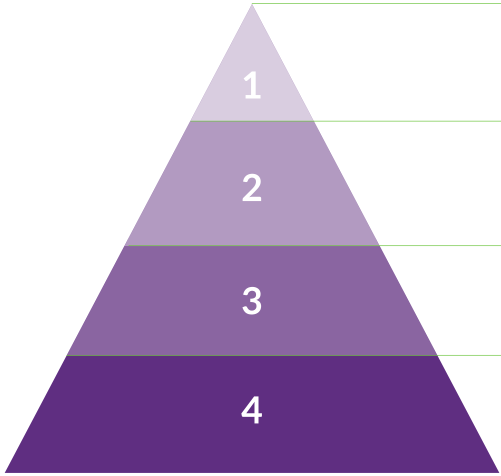
Board oversight

- Board oversight of and engagement with the Company's sustainability efforts is a key priority and is ensured through the active involvement of the Chief Executive Officer in the Sustainability Committee ('SC').
- Two SC meetings were held to discuss progress and performance on Climate-related Risks and Opportunities ('CRROs') in 2024.
- The Board has considered CRROs by reviewing the climate risk as part of the principal risks in the Company's risk taxonomy and risk framework.
- Progress on sustainability efforts is reported to the Board in quarterly Board meetings.
- All subsidiaries have committed to Board oversight of their climate targets.

Role of senior management

- Senior management plays an important role in assessing and managing the Company's CRROs. This involves cross-functional management at both the Group and subsidiary level.
- All ExCo members with the exception of the Head of Internal Audit are part of the Sustainability Committee.
- The Sustainability Working Group, which includes leadership team members across various functions such as risk, finance, legal and sustainability, supports the SC by providing regular updates on the Company's sustainability strategy. In 2024, two meetings were held with the SC and subsidiary Managing Directors to (i) present progress on climate targets for 2024 and (ii) present climate targets plans for 2025. Bi-annual progress meetings are scheduled going forward.
- Senior management receives regular progress reports towards meeting the Company's climate targets, allowing it to make informed decisions and to ensure that the Company's operations and initiatives are aligned with the targets.
- The SC has an approved the Terms of Reference ('ToR').

Sustainability reporting structure



1	Sustainability Committee	Discusses progress and performance on climate-related topics and decision making bi-annually.
2	Sustainability Working Group	Assesses and cross-functionally manages the CRROs. Proposes and implements climate-related strategic decisions to drive improvement. Reports to the SC.
3	Subsidiary Managing Directors	Responsible for the climate action plan and the achievement of climate targets at subsidiary level. Presents to the SC bi-annually on progress.
4	Sustainability and risk managers	Assesses the CRROs on the ground and manages the implementation of the climate targets. Reports to the subsidiary Managing Director and to the Group sustainability manager on a quarterly basis.

Strategy and risk management

The Group has implemented measures to identify climate-related risks, assess their impact, and incorporate them into financial planning. These risks are embedded within the Group's risk management framework and are actively monitored.

Identifying risks

- The Group uses a TCFD subscribed framework to classify climate risk and has implemented standardised templates for identifying and assessing climate risks across all its subsidiaries.
- Each subsidiary has a risk management unit and sustainability manager responsible for identifying climate risks using the standardised template.
- Climate risks are assessed internally using a risk scoring method based on both likelihood and impact, as defined in the Group's risk management framework. Data related to operational and financial damage (assessing materiality) caused by natural calamities is also collected as part of the assessment process. See the Natural Calamity Impact Assessment on page 64.
- The above-mentioned reports are reviewed by the local risk management coordination committee and approved by the Country Head before being submitted to the Group.
- The Group climate risk management report is prepared on the basis of the country reports and presented to the Audit and Risk Committee ('ARC') quarterly. Climate-related risks are identified, assessed and reported quarterly.
- The Group has identified short-term, medium- and long-term climate risks. Long-term scenario planning was conducted in 2024, with a strategic view towards 2050.
- Climate risk is identified and included as a distinct principal risk as part of the broader risk framework due to the prevalence of natural disasters in operational countries, with potential further escalation due to climate change. Enhanced monitoring is necessary for both physical and transition aspects of climate risk. This risk intersects with other principal risks: adverse climate events can impact client payment capacity, affecting credit risk; emission control failures can impact reputation risk; and non-compliance with emerging environmental regulations can affect local regulation risk.

→ Read more about risk management on pages 38 and 39

Managing CRROs

The Company's current focus is on risk management of physical and transition risks, as climate-related opportunities such as resource efficiency are being explored as part of the emissions mitigation efforts.

Managing physical risks

- Natural calamities such as floods, cyclones, droughts, earthquakes, volcanic eruptions, etc. are common in some of the countries where the Group operates.
- Risk management protocols are built into the Group's operational procedures, including site selection of potential new branches, taking into account the vulnerability to natural calamities.
- Natural disaster management procedures are in place at the entity level, including staff training for emergency response plans, postponement of disbursement and collection until the situation stabilises, and loan repayment rescheduling or moratoriums for borrowers in extreme cases. Assistance/relief is offered to borrowers under community projects. Read more on page 62.

Managing transition risks

- The Group proactively monitors and addresses regulatory or stakeholder requirements related to greenhouse gas ('GHG') emissions in its operational countries. So far, the operational countries are not facing any strict regulatory or stakeholder requirements in this field.
- The Group is committed to reducing its carbon emissions across all subsidiaries to be an environmentally sustainable organisation and uphold its reputation.
- The Group has approved SMART ('Specific, Measurable, Achievable, Realistic and Time-bound') targets for all its subsidiaries, including initiatives for reducing emission's such as solar panel installation, use of E-bikes, use of LED lights and tree plantation.
- A travel policy has been adopted to ensure air travel is limited as much as possible to reduce the Group's carbon footprint.

→ Read more about targets on page 78

Integrating climate risks into overall risk management

To include climate-related risks into overall risk management, the following steps have been taken:

- Risk taxonomy includes climate risk as a separate risk category.
- The risk management framework has a separate section for climate risk management.
- A standard template is implemented in all subsidiaries for identifying, assessing and reporting on climate risks on a quarterly basis.
- The climate risk report is included in the risk reporting pack presented to the ARC on a quarterly basis.

Impact of CRROs on the organisation's businesses, strategy and financial planning

- Climate change is a part of the Group's approach to sustainability approved by the Board in 2021.
- Major sources of the Group's emissions within Scope 1, 2 and 3 have been identified. A feasibility study was completed in 2022 to determine the opportunities to mitigate these major sources of emissions. Feasibility indicators assessed included market, economic, operational, scheduling and target feasibility.
- With guidance of the Group, based on the outcomes of the feasibility study, concrete mitigation proposals have been defined and approved at entity level for 2023, 2024 and 2025. The consolidated targets at Group level can be found on page 78.
- The impact on financial reporting judgements and estimates are presented in note 2.5.1 on page 154.
- Directors have concluded that currently the impact of the risks in the Group's financial statement is not material. Certain additional investments planned to reduce the carbon footprint of the Group – amounting to approximately USD 600 thousand – have been considered in the financial plans.

ESG Report (continued)

Strategy and risk management (continued)

Time horizon key

ST – Short term (<5 years) **MT** – Medium term (5-10 years)

Climate risk	Risk description	Risk level	Financial impact	Time horizon	Comment
Transition risk					
Credit risk	Risk of failing to comply with regulatory requirement related to carbon footprint/GHG emissions.	Low	None	ST, MT	Risk grade is low as none of the subsidiaries have stringent regulatory requirements from the local governments/central banks related to carbon footprint/GHG emissions at present. However, at Group level the SECR UK standard is followed for reporting carbon footprint. Also, the Group needs to follow TCFD requirements for assessing climate risks.
Technological	Risk associated with transitioning to lower emission technology.	Low	Not material	ST, MT	Risk grade is low as the Group's plan to lower the emissions does not involve complex and expensive technologies. The focus remains on increasing the use of renewable energy, increasing energy efficiency, reducing fuel consumption and using environmentally friendly vehicles. This may present opportunities, such as reduced operating costs through efficiency gains and less exposure to fossil fuel price increases.
Market	Risk associated with changes to the market resulting from climate change, such as changing customer behaviour and an uncertain market.	Low	None	ST, MT	Risk grade is low as the Company's clients are micro-entrepreneurs who deal with essential goods and services. It is highly unlikely to see any change in customer behaviour related to transitioning to a low-carbon economy.
Reputational	Risk associated with not being able to meet stakeholder concerns in terms of sustainability and carbon emissions.	Low	None	ST, MT	The Group has approved SMART targets for all its subsidiaries, including initiatives for reducing emissions such as through solar panel installation, use of E-bikes, use of LED lights and tree planting. Subsidiaries have met their targets for 2024.
Physical risk					
Acute risk	Risk associated with extreme weather events such as flooding, cyclone, heat waves, etc.	Medium	Not material	ST, MT	The Philippines has experienced an increased frequency of typhoons, which have severely affected our field operations. Consequently, the PAR in the Philippines has risen due to these calamities. Zambia has experienced a severe drought this year, which has impacted the agriculture sector and has reduced the hydroelectric power generation of the country.
Chronic risk	Risk associated with a long-term shift in climate pattern, such as rising mean temperatures and rising sea level.	Low	Not material	ST, MT	The risk is perceived to be low at present, although natural calamities like droughts and floods are expected to increase over the long term. As the Group's branches are low cost and are on short term rental agreements (2-3 years), there is an option to relocate from areas prone to natural disasters. Long-term scenario planning has been completed in 2024, where further details and forecast on this risk can be found.

Risk levels and financial impact for the long term (LT) have been assessed in the scenario analysis report.

ESG Report (continued)

Scenario analysis summary

Climate change is anticipated to have far-reaching systemic effects, impacting governments, businesses, and households across all geographies and sectors. Scenario analysis is a valuable tool for understanding the potential impacts of climate risks across a range of possible pathways. To assess our exposure, we conducted a scenario analysis, performing a high-level assessment of short-term risks by our risk department while conducting an in-depth evaluation of physical and transitional risks over the long term with interdepartmental engagement. The analysis strengthened our ability to anticipate challenges, plan for mitigation and integrate climate resilience into our strategic planning. The findings indicate that climate change presents a low to medium level of risk to our organisation.

Climate scenarios

For this scenario analysis, we selected two Network for Greening the Financial System ('NGFS') scenarios to evaluate transition and physical risks under different climate futures. From the NGFS scenarios, we opted for one scenario representing an orderly transition pathway, characterised by higher transitional risks due to accelerated policy and market changes. Additionally, we chose a "hot house world" scenario, which emphasises heightened physical risks driven by severe climate impacts, paired with comparatively lower transitional risks. This dual-scenario approach allows for a balanced evaluation of both transition and physical risks under varying climate futures.

NGFS climate scenario	SSP[1] alignment	RCP[2] alignment	Scenario description	Assumptions	Estimated warming	Time period	Transition risks	Physical risks
Below 2°C.	SSP2-2.6	RCP2.6	Orderly transition: Global efforts limit warming to well below 2°C.	Stringent climate policies, robust carbon pricing, significant technological advancements, rapid transition to renewables.	~1.5-2°C	2050	Increased regulatory and compliance risks due to stricter climate policies.	Lower acute and chronic risks due to effective climate mitigation.
Current policies	SSP2-4.5	RCP4.5	Current policies: Impact of current policies with moderate climate action.	Inconsistent carbon pricing, gradual adoption of green technologies, existing policy frameworks.	~2.5-3°C	2050	Reduced regulatory and compliance risks with gradual policy changes.	Moderate acute risks, some chronic changes in climate patterns.

1 NGFS to SSP: NGFS climate scenarios generally use SSP2 socioeconomic assumptions, providing a standard basis for comparison. SSP1-2.6 is aligned with more aggressive climate targets, while SSP2-4.5 reflects a more moderate pathway.

2 NGFS to RCP: The alignment with RCPs reflects general temperature pathways. Specific details of temperature rise and implications can vary slightly due to different assumptions within RCPs.

Time horizon

We conduct annual climate risk analysis, and this year, for the first time, we performed a long-term scenario analysis. We selected 2050 as our time horizon aligning with TCFD guidance, where it is categorised as long-term, and UK government TCFD-aligned disclosure guidance, which defines it as mid-century. We have not yet conducted a medium-term analysis, as our initial assessment indicated strong similarities between medium- and short-term risks, reinforcing our focus on long-term projections for now.

Geographic and sectoral focus

We have selected Pakistan, the Philippines, Tanzania, Ghana, and Kenya for long-term scenario planning due to their strategic significance within the Group's portfolio and their vulnerability to climate change. As of August 2024, these five countries collectively account for approximately 81% of the Group's total portfolio, making them the largest contributors in terms of portfolio size. Their inclusion also ensures a balanced geographical distribution across our operations in Asia and Africa, providing a diversified perspective on climate-related risks and opportunities.

We offer a diverse range of loans catering to various sectors, though the majority of our clients are primarily engaged in trading, agricultural and service sectors. For this scenario analysis, we assessed borrower distribution and principal outstanding across all sectors. Subsequently, we focused on these three sectors – excluding the others – as they collectively represent 90.7% of our total client base.

Analysis scope

Our scenario analysis focused on understanding the impact of climate change on ASAI's operational elements, while also considering key components of our value chain and financial assets that are closely interlinked with our operations.

Operation

The boundary of our analysis primarily included Our Own Operations, which refer to the internal processes and activities directly managed within our offices and branches. This encompasses critical areas such as client services, loan management, employee and client health, safety, and well-being, as well as maintaining ethical business practices within our operation.

Assets

We prioritised financial assets, evaluating their exposure to both physical and transition risks, including extreme weather and regulatory shifts. Fixed assets were deemed not material, as most infrastructures are leased and can be relocated.

Value chain

Our downstream analysis centred on clients, particularly those in low-income communities vulnerable to climate-related disruptions. Climate risks affect livelihoods, loan repayment capacity, and economic stability, making this a critical focus area.

ESG Report (continued)

Scenario analysis summary (continued)

Methodology

For identification of the physical and transitional risk, and the likelihood of the risk, we obtained information from multiple public credible sources. For the analysis we sought guidance from the TCFD Final Report Recommendations of the Task Force on Climate-related Financial Disclosures, TCFD-aligned disclosure Application guidance published by the UK government and Technical Supplement of The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities. In alignment with our risk management framework, we analysed the risks based on the likelihood and consequences of each identified risk and decided which risk factors will potentially have the greatest effect and should, therefore, receive priority concerning how they will be managed. The level of risk is analysed by multiplying estimates of likelihood and consequences. The risk rating is categorised as Low Risk for scores between 1 and 6, Moderate Risk for scores between 7 and 12, and High Risk for scores between 13 and 25. We applied the scenario analysis across ten material physical risks and 11 material transition risks. Upon collecting the data and assessing risk as per our risk rating framework, we validated findings through the entity sustainability managers, risk managers and finance department.

→ For further information read

Recommendations of the Task Force on Climate-related Financial Disclosures

TCFD-aligned disclosure Application guidance

Technical Supplement of The Use of Scenario Analysis in Disclosure of Climate-related Risks and Opportunities

Physical risk analysis

Physical risk refers to the direct and indirect impacts of weather as a result of climate change on businesses, infrastructure, and communities. It includes acute risks such as extreme weather events like floods, droughts and wildfires and chronic risks such as long-term changes like rising temperatures and sea-level rise, both of which threaten operational stability and resilience.

Transition risk assessment

Transitional risk refers to the financial, operational, and strategic risks businesses face as economies shift towards a low-carbon future. These risks arise from evolving policies, regulations, market dynamics, technological advancements, and changing stakeholder expectations. For the transitional risk assessment, we considered both country-specific and Group-level regulatory requirements. As ASA International Group plc is incorporated in the UK and listed on the London Stock Exchange, and ASA International N.V. operates at the holding level in the Netherlands, we are subject to UK and Dutch/EU regulations. These regulations have a cascading impact on our entities across various jurisdictions.

Limitations

As this is our first scenario analysis, we acknowledge some limitations in our approach. The assessment was conducted from publicly available information from established data models rather than developing an in-house model. In some instances, the analysis of physical risks was constrained by data availability, underlying assumptions, and regional gaps. Additionally, transitional risks and financial impact were evaluated qualitatively due to the absence of accurate direct data sources for certain parameters. Moving forward, we will seek opportunities to strengthen our methodology, contingent on feasibility and data improvements.

ESG Report (continued)

Scenario analysis summary (continued)

Scenario analysis result

Scenario 1: <2°C scenario

Countries in our portfolio will experience low to medium physical risks, with the Philippines most vulnerable to extreme weather events. Transition risks are medium, driven by regulatory shifts, carbon pricing, and stricter sustainability requirements, affecting agriculture, retail, and energy-dependent businesses. Proactive planning and investments in sustainable practices will be key to mitigating long-term risks.

Summary of risk analysis for <2°C scenario

Time horizon: Long-term (10+ years); 2050

Entity	Average physical risk Score	Average transitional risk score from country perspective	Average transitional risk score from Group perspective	Group Portfolio Size (As of Dec 2024)
Pakistan	7.6	7	5.5	21.4 %
Philippines	7.6	4	4.3	14.4 %
Tanzania	4.4	7	7.8	20.3 %
Ghana	5.6	7.5	7	16.0 %
Kenya	5.3	7	8.5	8.7%

Risk level

Low Medium High

Physical and transitional risks by country

- **Pakistan:** Faces medium physical and transition risks, with a limited number of clients in Punjab and Sindh regions exposed to extreme heat, drought, rising temperatures, and water stress.
- **Philippines:** Medium physical risk due to typhoons, floods, landslides, and earthquakes, but low transition risk due to less regulatory pressure for rapid decarbonisation.
- **Tanzania:** Low to medium physical risk and medium transition risk; drought remains a primary concern, while decarbonisation efforts could impact its traditional energy dependence.
- **Ghana:** Low physical risk but medium transition risk; Greater Accra and Ashanti regions are expected to face extreme heat, drought, and water stress which will affect a small number of agricultural clients.
- **Kenya:** The assessment indicates low physical risk but medium transition risk, with anticipated climate-related challenges including rising temperatures, water stress, and extreme heat. Regionally, Kisumu is expected to face flood risks, while Mombasa is projected to experience drought and extreme heat. However, these factors are expected to have an insignificant impact on overall operations.

Group perspective on transitional risks

In the <2°C scenario, global regulations will become more stringent, impacting financial reporting, emissions reductions, and operational costs:

- EU regulations: Tighter sustainability reporting (CSRD, SFDR), methane reduction targets, and stricter emission controls may increase costs, especially in Pakistan, Kenya, and the Philippines.
- **UK regulations:** A stronger Net Zero Strategy, stricter carbon pricing (UK ETS), and expanded TCFD reporting may drive higher compliance costs and investment in clean energy.

Sectoral impact

- **Agriculture:** Moderate vulnerability due to weather extremes, but compliance with emission regulations, sustainable farming, and reduced fuel subsidies may increase operational costs.
- **Trade/Retail:** Supply chain disruptions, rising costs for sustainable sourcing, and energy efficiency investments may impact small traders but create new opportunities in low-carbon markets.
- **Services:** Minimal business risk, but push for clean energy adoption and energy efficiency improvements may require upfront investments.

This summary presents an overview of key climate-related risks, their associated parameters, and potential implications for our operations and financial performance. The risks have been categorised into broader groups to provide a structured overview, while individual parameters have also been assessed separately to ensure a comprehensive assessment.

ESG Report (continued)

Scenario analysis summary (continued)

Scenario analysis result of NGFS "Orderly Transition" & SSP1-2.6

Scenario 1: < 2°C

Alignment: NGFS "Orderly Transition" & SSP2-2.6
Timeframe: 10+ years (long-term)

Sectoral Vulnerability key

Agriculture	Low	Medium	High
Trade	Low	Medium	High
Service	Low	Medium	High

Risk and related parameters	Assumptions	Operational impact	Sectoral vulnerability	Financial impact	Rationale	Potential mitigation strategy
Policy and legal (Carbon pricing trajectory, Emission reduction targets and policies, litigation landscape, subsidies reduction on fossil fuel)	Stricter global climate policies, carbon pricing, and emission regulations. Reduction in fossil fuel subsidies.	Increased compliance costs, operational adjustments, and potential litigation risks for us and our agricultural clients.		**Low to medium** (Score: 3-8)	Given our business growth trajectory, a limited increase in emissions is anticipated. The estimated financial exposure to carbon pricing ranges between EUR 400k – 1,000k, which remains below 1% of the expected PBT. The group's total emissions, recorded at 5,721 tCO_2 in 2024, are subject to the EU ETS pricing, anticipated to rise from EUR 70-75/tCO_2 in 2030 to EUR 130/tCO_2 in 2040. Additionally, the microfinance business has historically not been subject to ESG litigations, minimising legal risks. However, the reduction of fossil fuel subsidies may lead to a moderate increase in operational costs, particularly for vehicle, generator, and electricity expenses. Notably, transportation costs alone are projected to reach USD 10 million in 2050, making it a significant operational expenditure for the Group. Such values can result in low to medium impact in the long term.	Monitor regulations, implement emission reduction strategies, and consider financing for clean energy solutions.
Technology (Change in Energy Mix, Availability of low-carbon technologies)	Transition to clean energy and adoption of energy-efficient systems.	Upfront investment costs for integrating new technologies.		**Low** (Score: 3)	Require higher investment for both clients and Company. The expected budget for shifting to solar systems and installing in 204 branches is USD 0.5 million for the year 2025. Changes in the energy mix will push the operating costs down.	Invest in renewable energy and partner with green technology providers.

ESG Report (continued)

Scenario analysis summary (continued)

Risk and related parameters	Assumptions	Operational impact	Sectoral vulnerability	Financial impact	Rationale	Potential mitigation strategy
Market (The increased cost of material, client behaviours)	Changing material costs and evolving client behaviour in response to climate policies.	Potential financial instability for clients in fossil-fuel-dependent sectors like agriculture and trade.		**Low** (Score: 2-6)	The increased production cost for clients will lead to higher demand for microfinance loans. The Company's clients are micro-entrepreneurs who deal with essential goods and services. It is highly unlikely to see any change in customer behaviour related to transitioning to a low-carbon economy. Increased loan disbursement requirement will drive the need for additional funding from external sources and this might have an impact on the costs of funding.	Support client adaptation to market changes.
Reputation (Meeting regulatory demands, lenders perception, sustainability benchmarks and trends)	Growing regulatory demands and sustainability expectations from investors, lenders and other stakeholders.	Need for enhanced ESG reporting and compliance efforts.		**Low** (Score: 4)	The group is actively engaging with investors, lenders and other stakeholders to align with corporate sustainability and climate action expectations. Furthermore, global sustainability benchmarks may have limited impact on our clients' small-scale businesses.	Strengthen ESG reporting, stakeholder engagement, and benchmarking against industry standards.
Acute physical risks (Floods, cyclones, extreme heat, drought, wildfire, landslides)	Reduced frequency of extreme weather events due to climate mitigation efforts. However, most regions in the Philippines remain prone to floods and cyclones.	The Company's and clients' improved resilience to physical risks enhances financial stability and reduces default rates, boosting overall performance.	None (considering resilience by 2050)	**Low** (Score: 6)	Business operations will remain stable due to the reduced frequency of extreme weather events.	Develop a risk assessment framework for clients, support client adaptation, and strengthen resilience efforts in vulnerable areas.
Chronic physical Risks (Rising temperature, Sea-level rise, increased precipitation, water stress)	Gradual climate changes with moderate long-term impacts. Some regions in Kenya and Pakistan may face water stress, while parts of the Philippines may suffer from sea-level rise.	While most clients across our regions successfully adapt to moderate climate changes in this scenario, some may still face challenges, leading to increased credit risk and potential impacts on portfolio quality.	None (considering resilience by 2050)	**Low** (Score: 6)	Gradual climate changes will impact client repayment behaviour. This might lead to increased credit loss expenses for the Group. However, the total value would not be significant.	Offer (financial) products to support resilience, focus on adaptation measures, and strengthen risk assessments for high-risk branches.

ESG Report (continued)

Scenario analysis summary (continued)

Scenario 2: > 3°C

In this scenario, delayed or insufficient climate action leads to a global temperature rise of over 3°C, resulting in severe physical risks such as extreme weather events, economic instability, and increased financial risks for the Company. While transitional risks remain low due to less stringent regulations, operational disruptions and increased costs are expected.

Summary of risk analysis for "current policies" scenario

Time Horizon: Long-term (10+ years); 2050				
Entity	**Average physical risk Score**	**Average transitional risk score from country perspective**	**Average transitional risk score from Group perspective**	**Group Portfolio Size (As of Dec 2024)**
Pakistan	11.5	3.5	4.3	21.4 %
Philippines	11.6	3.5	3.5	14.4 %
Tanzania	6.6	4	4.8	20.3 %
Ghana	8.1	4	3.5	16.0 %
Kenya	8.4	4	4	8.7%

Risk level

Low Medium High

Physical and transitional risks by country:

- **Pakistan:** Medium physical risks due to rising temperatures and water stress, particularly in Punjab and Sindh which will impact our client in the agriculture sector. Low transitional risk due to slow decarbonisation efforts.
- **The Philippines:** High exposure to extreme weather events, impacting infrastructure and livelihoods. Low transitional risk due to minimal regulatory pressure.
- **Kenya:** Medium physical risks, particularly droughts and rising temperatures. Low transitional risk due to renewable energy advancements.
- **Ghana:** Medium physical risks, especially extreme heat and droughts affecting agriculture. Low transitional risk with moderate policy changes.
- **Tanzania:** Low to medium physical risks, with some flood-prone regions. Low transitional risk as sustainability adoption progresses slowly.

Group perspective on transitional risk:

- **EU & UK regulations:** Climate policies remain less stringent, allowing for gradual adoption of sustainable practices. Lower compliance costs for the Group, reduced financial burden for low-carbon technologies, and more flexibility in sustainability reporting (CSRD, SFDR, TCFD).

Sectoral impact

- **Agriculture:** Highly vulnerable to droughts, extreme heat, and floods, threatening crop yields and food supply chains.
- **Trade/Retail:** Moderate disruptions from extreme weather affecting logistics and supply chains, causing price volatility.
- **Services:** Moderate impact as a result of infrastructure damage or business disruptions from extreme weather events.

ESG Report (continued)

Scenario analysis summary (continued)

Sectoral Vulnerability key

Agriculture	Low	Medium	High
Trade	Low	Medium	High
Service	Low	Medium	High

Scenario analysis result of NGFS "hot house world" and SSP2-4.5

Scenario 2: >3°C

Alignment: NGFS "hot house world" and SSP2-4.5
Timeframe: 10+ years (long-term)

Risk and related Parameters	Assumptions	Operational impact	Sectoral vulnerability	Financial impact	Rationale	Potential mitigation strategy
Policy and legal (Carbon pricing trajectory, Emission reduction targets and policies, litigation landscape, subsidies reduction on fossil fuel)	Climate policies remain inconsistent and reactive, with minimal acceleration in national emission targets and region-specific reporting requirements. Legal risks may rise due to increasing climate-related lawsuits and financial penalties in vulnerable regions. Meanwhile, fossil fuel subsidies are gradually decreasing, but immediate impacts on energy prices remain limited.	Compliance costs and regulatory uncertainty would rise slowly, causing minimal financial strain, while emission tracking and reporting efforts would remain moderate. Clients in energy-intensive sectors would face limited impact, with only a slight increase in default risks.	None	**Low** (Score 3–4)	The slower implementation of the Carbon Pricing policy across five subsidiaries by 2050 is expected to have minimal financial impact on the Group's assets, revenue, and expenditures. With a projected 2% annual emissions growth, the estimated carbon pricing exposure remains under 0.5% of expected PBT. Regulatory changes are not expected to be significant, and ESG litigation risks remain low based on past trends. Operational costs, including vehicle and generator expenses, are expected to remain stable, with total transportation costs projected at USD 10 million for 2050.	Adaptive pricing strategies, carbon exposure tracking, promoting energy efficiency among clients, ensuring compliance readiness.
Technology (Change in energy mix, availability of low-carbon technologies)	Slow transition towards renewables; fossil fuels remain a dominant source. Low-carbon technology development is available in a limited manner.	Minor operational changes; investments in renewable energy may develop at a slower pace.	None	**Low** (Score 3–4)	Require lower investment for both clients and Company. Additionally, changes in the energy mix will push the operating costs down.	Monitor trends, phase in energy-efficient solutions, and explore renewables financing.
Market (The increased cost of material, client behaviours)	Costs for raw materials gradually rise due to climate change impacts on supply chains. MFIs are increasingly expected to offer services that promote resilience against climate impacts, especially in high-risk areas.	Some clients may struggle with cost increases, but demand for microfinance loans remains stable.	None	**Low** (Score 4)	The demand for microfinance loans will remain the same. The Company's clients are micro-entrepreneurs who deal with essential goods and services. It is highly unlikely to see any change in customer behaviour related to transitioning to impact resilient economy.	Promote supply chain diversification and support client adaptation to market changes.

ESG Report (continued)

Scenario analysis summary (continued)

Risk and related Parameters	Assumptions	Operational impact	Sectoral vulnerability	Financial impact	Rationale	Potential mitigation strategy
Reputation (Meeting regulatory demands, lenders perception, sustainability benchmarks and trends)	Greater scrutiny from the public and stakeholders on climate alignment, especially in developed and high-impact regions. Slow shift towards integrating ESG risk in lender evaluations. Industry shift towards climate action as impacts are more visible, increasing pressure for climate risk strategies and competitive sustainability practices.	Increased reporting workload; potential long-term funding challenges if ESG performance lags.	None	**Low** (Score 3–6)	The Group is already working with the investors, lenders and other stakeholders to cater their expectations to corporate sustainability and climate action. The global sustainability benchmarks are less likely to impact our clients' business or us.	Invest in ESG compliance tools, communicate efforts to lenders, align with sustainability benchmarks.
Acute physical risks (Floods, cyclones, extreme heat, drought, wildfire, landslides)	Increased frequency and severity of extreme weather events, especially in Pakistan and the Philippines where cyclones may become more frequent. Extreme heat and drought might also be prevalent. Although there is medium risk of landslides as well in Kenya, Pakistan and the Philippines on a country level, the hazard might not have much impact on regional level.	Medium default rates and financial instability may occur due to increased disruptions. However, disaster recovery products could stabilise client operations and provide new revenue streams for the Company.		**Medium** Score 12 (Impact 3, Likelihood 4)	Business operations will be impacted by the increased frequency of extreme weather events.	Invest in resilience-building initiatives and targeted (financial) products. Maintain partnerships with local organisations to support disaster preparedness and recovery plans.
Chronic physical risks (Rising temperature, sea-level rise, increased precipitation, water stress)	Significant long-term changes in climate, including rising temperature, accompanied by water stress is expected in Ghana, Kenya and Pakistan. All the countries are in medium to high vulnerable zones in terms of rising temperature as well.	Clients may face persistent challenges in managing long-term risks, increasing their financial burden and impacting their ability to repay loans. However, climate adaptation financing could offset some of these risks and support long-term growth.		**Medium** Score 12 (Impact 3, Likelihood 4)	Gradual changes in climate will heavily impact on the client repayment behaviour. This might lead to increased credit loss expense for the Group.	Offer (financial) products to support resilience, support client adaptation to increased water stress, salinity and heatwaves.

ESG Report (continued)

Scenario analysis summary (continued)

Conclusion

While climate scenario analysis does not predict the future, it serves as a valuable tool for evaluating the potential implications of various climate pathways on our operations, downstream value chain, and financial assets. The outcome of the analysis suggests that our strategy and financial position are well positioned to remain resilient to climate change in the long term. Under a <2°C scenario, risk management, regulatory compliance, and credit assessment will be impacted due to stricter climate policies and ESG regulations. In a >3°C scenario, loan disbursement, collections, branch operations, and portfolio management will face disruptions from extreme weather. However, under all evaluated scenarios, capital and operational expenditures are expected to have minimal financial impact for the Group. We continue to actively mitigate risks, refine our business strategy for the transition to a low-carbon economy, and increase the resilience of our clients over time. Going forward, we will continue to update this analysis as needed, integrating mid-term assessments and considering more detailed financial projections to further enhance our risk evaluation and strategic planning.

Metrics and targets

The Group has taken its first steps towards mitigating emissions by defining and achieving targets. Its next objective is to enhance its metrics for performance measurement to advance its efforts and increase transparency.

Management and disclosure

- Feasibility study assessing opportunities to reduce emissions at subsidiary level conducted.
- Disclosure of GHG emissions according to Scope 1 and 2, and category 6 'business travel' and category 7 'employee commuting' of Scope 3 in the SECR report. See page 81
- Energy use, loan management, financial assets, and the value chain are expected to face low long-term transition risk, though specific vulnerabilities remain under analysis.
- Climate-related metrics are not yet included in Remuneration policies.
- Internal carbon pricing mechanism not yet considered for targets.
- Forward-looking metrics have not been used.
- Emission sources identified. Subsidiaries propose and implemented feasible reduction initiatives for own operations, forming the basis for the disclosed 2023, 2024 and 2025 Group targets.
- Based on the climate targets of all subsidiaries, the 2025 Group targets have been approved by the Sustainability Committee. Performance is tracked and reported quarterly.
- Exploring adoption of metrics to measure performance and alignment with frameworks such as the Science Based Targets initiative.

Progress Group targets 2024

- Quarterly progress reports were submitted, complemented by bi-annual meetings with the subsidiary Managing Directors to assess progress.
- Targets were met within the designated ranges, with the exception of knowledge sharing.
- Knowledge sharing faced logistical and external challenges. Entities remained committed, adjusting timelines as needed.

Setting Group targets 2025

- Maintain continuity by addressing similar key areas as the previous year.
- The target for solar system installations has been reduced due to expansion opportunities, investment viability, supply chain constraints, and maintenance challenges. The Company continues to assess the market to ensure future installations remain accessible and sustainable.

Climate targets

Topic	2024 target	2024 achievement	2025 target
Increase the use of renewable energy by installing solar panels	200-300 panels	**305 panels**	150-200 panels
Reduce fuel consumption by introducing electric motorbikes	15-25 electric bikes	**38 electric bikes**	20-30 electric bikes
Absorb CO_2 and protect the environment by planting trees	20-30k trees	**27.7k trees**	30-40k trees

Topic	2024 target	2024 achievement	2025 target
Increase energy efficiency by replacing regular lights with LEDs	2-2.5k LEDs	**3.5k LEDs**	N/A
Share knowledge and create awareness by training clients, colleagues and communities	300-400k trainees	**222k trainees**	300-400k trainees
Improve waste management through various reduce, reuse and recycle initiatives	Various initiatives	**N/A**	Various initiatives

ESG CASE STUDY

Advancing climate goals by installing solar systems

In 2024, ASA Nigeria equipped 78 branches with solar systems, bringing the total to 106 branches—approximately 40% of all locations. This initiative aligns with the Group's climate goals, reducing reliance on fossil fuels and lowering carbon emissions.

Solar systems have replaced traditional generators across all equipped branches, saving an estimated 20,000 litres of fuel in 2024 alone. These systems, which include solar panels, inverters, and battery storage, provide a reliable backup during grid outages, ensuring uninterrupted operations while reducing energy costs.

Branch staff and management have reported increased efficiency, cost savings, and a stronger sense of environmental responsibility. While challenges such as installation logistics and staff training arose, these were addressed through partnerships with experienced solar providers and comprehensive training programs.

Looking ahead, ASA Nigeria plans to expand this initiative, installing solar systems in 80 more branches in 2025, further strengthening their commitment to sustainability and energy efficiency.

→ Read more about another climate initiatives on page 49

Compliance statement

In meeting the requirements of Listing Rule 9.8.6R(8), we have concluded that

- The Group complies with TCFD Recommended Disclosures: Governance a and b; Strategy C; Risk a, b and c; and Metrics and targets a and b.
- The Group partially complies with TCFD Recommended Disclosures: Strategy a and b and Metrics and targets c.
- The Group does not comply with TCFD Recommended Disclosures: none

In assessing compliance, the documents referred to in the guidance notes to the Listing Rule were taken into consideration. In the table to the right, cross-references are added to where the disclosures are located or a reason is provided for non-compliance with an expected timeframe to achieve compliance. Compliance with the Companies Act 2006, s414CB(2a)-(2h), is demonstrated in the column to the right.

TCFD elements	TCFD recommended disclosures	Cross-reference or reason for non-compliance	Next steps and other comments	CA 414CB[1]
Governance	• Board oversight • Management's role	• See 'Board oversight' on page 66. • See 'Role of management' on page 66.		• CA s414CB(a)
Strategy	• Climate-related risks and opportunities • Impact on the organisation's business, strategy and financial planning • Resilience of the organisation's strategy	• See 'Identifying risks' on page 67. • See 'Impact of CRRO's on the organisation's businesses, strategy and financial planning' on page 67. • See 'Scenario analysis' on pages 69 to 77.	• Further develop scenario analysis and consider additional time horizons over the 1–3 years.	• CA s414CB(d) • CA s414CB(e) • CA s414CB(f)
Risk management	• Risk identification and assessment processes • Risk management process • Integration into overall risk management	• See 'Identifying risks' on page 67. • See 'Managing CRROs' on page 67. • See 'Integrating climate risks into overall risk management' on page 67.		• CA s414CB(b) • CA s414CB(c)
Metrics and targets	• Climate-related metrics in line with strategy and risk management process • Scope 1, 2 and 3 greenhouse gas ('GHG') metrics and the related risks • Climate-related targets and performance against targets	• See 'Management and disclosure' on page 78. • See 'Streamlined Energy Carbon Reporting' on page 80 and 81. • See 'Climate targets' on page 78.	• The Group will be taking steps over the next 1-3 years to have closer alignment with Universal Standards.	• CA s414CB(h) • CA s414CB(g)

1 Companies Act 2006, s414CB(2a)-(2h).

ESG Report (continued)

2023 Streamlined Energy and Carbon Reporting ('SECR')

In 2024, the Group continued to collect data on energy use and business travel for operations covering 15 countries, including 14,231[1] full-time employees ('FTEs') and 2,151 offices[2]. The table includes the Group's energy use and associated carbon emissions in 2023 and 2024, broken down by Scopes 1, 2 and 3.

The Group is required to report annual global GHG emissions in line with the UK government's Streamlined Energy and Carbon Reporting ('SECR') guideline, implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These regulations came into force on 1 April 2019 and require organisations to publicly report on carbon emissions and energy use.

The Group's emissions calculations and reporting follow the Greenhouse Gas Protocol Corporate Standard (operational control approach) covering its energy usage in 2024.

In 2024, the Group continued to collect data on energy use and business travel for operations covering 15 regions, including 14,231 FTEs (as per Group HR data, excluding one staff of MU office) and 2,151 offices (including the Company's headquarters in the Netherlands and Bangladesh). The table includes the Group's energy use and associated carbon emissions in 2024, broken down by Scopes 1, 2 and 3.

Energy efficiency actions

Actions taken in 2024	Planned action in 2025
Continued to monitor and maintain office buildings (both leased and owned) to ensure energy-efficient operation. This includes annual maintenance and cleaning of air conditioning systems, and checking for misuse of water, electricity and office vehicles. Such maintenance also keeps fire hazards at bay.	Action to continue.
Subsidiaries are digitising processes and printing less.	Continue to minimise the use of paper in all offices with the aim of achieving zero printing in the future.
Most operating subsidiaries successfully met their 2024 climate targets, which included phased installation of solar panels, tree planting, adoption of electric motorcycles, installation of LED lighting, improved waste management practices, and enhanced knowledge sharing initiatives.	Climate targets for 2025 have been set, maintaining a strong focus on the key areas addressed in 2024. Read more about setting and achieving targets on page 78.

1 Excluding one staff member from the ASAI Holding office in Mauritius because of negligible impact.

2 Including the head offices and the Company's headquarters in the Netherlands and Bangladesh.

ESG Report (continued)

2023 Streamlined Energy and Carbon Reporting ('SECR') (continued)

Methodology and scope

The Group is responsible for the internal management controls governing the data collection process, data aggregation, any estimations and extrapolations applied (as required), the GHG calculations performed and the emissions statements.

GHG emissions were calculated according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Scope and subject matter

The boundary of reporting includes all operating subsidiaries and facilities owned, leased or actively managed by the Group, as well as business travel in Company-owned vehicles or employee-owned or hired vehicles where the Company is responsible for purchasing the fuel. This also includes air travel.

Energy and GHG sources included in the process

- Scope 1: Direct emissions from owned or controlled assets of the Company. Emissions from combustion of fuel in owned or controlled vehicles and generators have been included.
- Scope 2: Indirect emissions from the generation of purchased electricity consumed by the Company. A location-based method has been applied.
- Scope 3: Indirect emissions that occur as a result of the Company's activities but are not directly owned or controlled by the Company. This includes emissions from business travel and employee commuting.

Waste and fugitive emissions from refrigeration (e.g. air conditioning) are omitted from the report due to lack of data.

Types of GHGs included, as applicable: CO_2, N_2O, CH_4, HFCs, PFCs, SF_6 and NF_3.

The figures were calculated using UK government 2023 conversion factors, expressed as tonnes of carbon dioxide equivalent (tCO_2e).

The Company does not disclose emissions for the UK or offshore areas as it does not have any operations in those regions.

Particulars	2024	2023
Energy consumption used (kWh)		
Electricity (kWh)	3,773,080	3,864,000
Gas (kWh)	1,350,431	1,216,605
Transport fuel (kWh)	31,475,169	45,605,160
Other energy sources (kWh)	1,379,929	2,016,146
Total (kWh)	**37,978,609**	**52,701,911**
Emissions (tCO_2e)		
Scope 1		
Emissions from combustion of gas (tCO_2e)	277	247
Emissions from combustion of fuel for transport purposes (tCO_2e)	3,023	4,818
Emissions from combustion of fuel for generators (tCO_2e)	310	469
Scope 2[1]		
Emissions from purchased electricity (tCO_2e)	1,790	747
Scope 3		
Category 7: Employee commuting[2] (tCO_2e)	1,610	1,687
Category 6: Business travel[3] (tCO_2e)	479	606
Total location based tCO_2e	**7,489**	**8,574**
Intensity ratio		
Number of FTE within financial year[4]	14,231	13,432
Intensity ratio: tCO_2e from Scope 1, 2 and 3/FTE location based	0,53	0.64

1 Location-based method applied.
2 Includes travel in rental cars and public transport.
3 Includes flight data.
4 One staff member from the Mauritius office is excluded.

Verification

Internally by the Company.

ESG Report (continued)

Non-financial and sustainability information statement

As a socially responsible lender, the Group has a wide range of policies and practices to ensure that the Company and its staff comply with environmental, social and legal requirements, including respecting human rights, and adhere to the highest professional and ethical standards in dealing with clients, suppliers, communities and each other. This statement provides an overview of topics and related reporting references as required by sections 414CA and 414CB of the Companies Act 2006.

ESG	Our policies and practices	Description	Page reference
	**Exclusion list**	Our exclusion list prevents financing businesses that harm biodiversity or the environment, aligning with international conventions where applicable.	Read more on page 64
	Environment and Social Management System ('ESMS')	Our ESMS sets out plans, policies, and procedures to manage environmental and social risks, aiming to minimise negative impacts and promote good governance. It aligns with industry standards, including IFC Performance Standards 1 and 2, the SMART Campaign, and the Universal Standards for Social Performance Management.	Read more on page 64
	Environmental policy	Our environmental policy outlines the actions that its staff must take to minimise and prevent any harmful impacts on the environment.	Read more on page 64
	Travel policy	Our travel policy promotes responsible and sustainable travel practices, with a particular focus on air travel. It outlines the necessary factors to consider and steps to take before undertaking air travel for business purposes.	Read more on page 64
	Natural Calamity Impact Assessment ('NCIA')	The Group assesses the impact of natural disasters, such as floods and earthquakes, on its resources and overall operations. This analysis provides valuable insights into the Company's susceptibility to such calamities, identifying areas that may require adaptation to mitigate risks.	Read more on page 64
	Emergency Preparedness and Response Plan ('EPRP')	The EPRP aims to protect people, resources, and critical information while ensuring continuity of essential operations. It sets out the Company's emergency response strategies to prepare for and mitigate the impact of crises.	Read more on page 64
	**Client Protection Principles ('CPP')**	The CCP, developed by the SMART Campaign, is an industry standard that outlines the minimum client protection expectations for microfinance providers, ensuring institutions serve clients' best interests.	Read more on page 55
	Client Complaint Resolution Committee ('CCRC')	Through the CCRC clients can provide direct feedback on services or lodge complaints about inappropriate behaviour or treatment by any of the Group's staff. Every quarter a report is shared with senior management by the CCRC with the nature of complaints and actions taken.	Read more on page 56
	Grievance Mitigation Committee ('GMC')	The Group has established an effective grievance mechanism for all employees, allowing them to raise any work-related concerns or complaints without fear of reprisal.	Read more on page 58
	Health and safety	The Group monitors health and safety risks, provides regular training, and takes preventive and corrective actions on incidents. Each subsidiary has a health and safety committee and an integrated checklist to ensure ongoing supervision and monitoring.	Read more on page 58
	Diversity, Equity and Inclusion ('DEI') policy	The DEI policy integrates diversity, equity, and inclusion into internal practices, guiding the implementation and monitoring of initiatives to foster a thriving, diverse workforce.	Read more on page 60
	Social Policy	The Company's Social Policy ensures the protection of social and environmental interests, focusing on uplifting clients' social standards and safeguarding employees' rights in a responsible work environment.	Read more on page 55
	Human Resource ('HR') Policy	The Company's HR Policy governs staff conditions and practices, promoting fairness, transparency, and equal treatment through consistent rules and procedures.	Read more on page 57
	Corporate Social Responsibility ('CSR') Policy	The CSR policy provides a framework for planning and evaluating community initiatives in health, education, environment, and disaster relief, ensuring alignment with the Company's mission and fostering sustainable social and environmental impact.	Read more on page 61

ESG Report (continued)

Non-financial and sustainability information statement (continued)

→ Read the remaining reporting requirements
Business model on page 11
Principal risks on pages 40 to 48
Diversity and gender on page 60 and 107 – 108
Climate-related financial disclosures on pages 65 to 79

→ Find the description of the tools and indicators
ESG report on pages 55 to 60 and 64
Alternative Performance Measures ('APM') table on page 205

ESG	Our policies and practices	Description	Page reference
	Whistleblowing	Employees are strongly encouraged to speak up about any actions that might violate laws, regulations, or Company policies. They can do so by using a designated complaint box or reaching out directly to the local Chair of the Audit and Risk Committee, as well as at the Group level. Examples of such actions encompass improper or unethical business practices, concerns related to health, safety, and the environment, or breaches of the Code of Conduct.	Read more on pages 58 and 102 and our website
	Child Labour and Protection	The Group is dedicated to safeguarding children directly or indirectly affected by its operations. It implements strict policies to prevent child labour, collaborates on education and welfare initiatives, and promptly addresses any identified cases, ensuring children's rights and well-being are protected.	Read more on our website
	Sexual Harassment Elimination	The Company promotes a safe work environment and has a zero-tolerance policy towards harassment of any kind, particularly sexual harassment.	Read more on page 102 and on our website
	Non-Discrimination	Unfair discrimination in any form is unacceptable. Management and employees must ensure a fair and sympathetic work environment for all, regardless of marital status, religion, disability, sexuality, gender, race, or ethnicity. This policy of equal opportunities and diversity extends to recruitment, remuneration, training, development, promotion, discipline, and all aspects of employment, including volunteers, interns, clients, suppliers, and others with whom ASA International or its employees engage.	Read more on page 108 and on our website
	Code of Conduct and Ethics	The Group's Code of Conduct and Ethics is designed to be ethical, dignified, transparent, equitable and cost-effective, and expresses the core values of microfinance practice.	Read more on our website
	Anti-Bribery and Anti-Corruption	This policy is to combat improper payments or inducements and provide basic guidance to all employees, wherever they are located. The Group adopts a zero-tolerance approach to bribery and corruption, ensuring compliance with all applicable anti-bribery and anti-corruption laws and regulations, including the UK Bribery Act 2010.	Read more on page 103 and on our website
	Fraud and Misappropriation Protection ('FMPU') Policy	The FMPU Policy outlines procedures for preventing and reducing financial risks from fraud and misappropriation, focusing on continuous review, investigation, and promoting a culture of fraud awareness and accountability. FMPU is part of the Group's second line of defence.	Read more on page 39 and on our website
	Anti-Money Laundering	The Company and its subsidiaries are firmly committed to preventing money laundering and any activity that facilitates it or supports terrorist or criminal endeavours in their operations.	Read more on page 44 and on our website