

Finkargo

Colombia and Mexico

Category I-2 Sub-Project Disclosure Package

Environmental and Social Due Diligence Report & ESAP

FP230: Kualí Fund-GCF

Accredited Entity: COFIDES, S.A., S.M.E.

Executing Entity: GAWA Capital

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Disclosure Period: 22/10/2026 to 22/11/2026

1. Sub-Project Disclosure Summary

Kuali Fund proposes a subordinate/mezzanine facility of **up to USD 10 million (EUR 8.8 million)** to Finkargo, a trade finance fintech whose mission is “unlocking global trade for emerging market MSMEs”. Finkargo was founded specifically to close the trade-finance gap that keeps Latin American MSMEs out of global value chains. Its core product finances imports: Finkargo pays international suppliers directly on behalf of SME importers, who repay once the goods are received and sold or used in their business. Through this offer and a data-driven platform, Finkargo provides formal financing to underserved MSMEs, helping them grow their businesses, protect employment and diversify their suppliers.

The proceeds will support the growth of Finkargo’s portfolio in Colombia and Mexico, ahead of its planned Series B. The facility is expected to reach **35 MSMEs directly** on an attributable basis, **and a further 172 MSMEs through the senior funding it unlocks**. It will also support the expansion of Finkargo's sustainable imports, currently USD 5.09 million across 32 active clients (3.09% of the portfolio, 31 August 2026): energy generation and access (57%), buildings, industry and appliances (28%), circular economy (9%) and low-emission transport (6%). Eligible imports are identified at origination by matching their HS-6 tariff code against the Kuali Fund technology list.

The facility has a final maturity of 24 months, with no voluntary prepayment in the first 18 months. At full mobilization it is expected to **support about 207 additional SME clients (35 directly and 172 through senior funding, a 39% increase on the current base)**.

Eligible green imports will be identified at origination using the Kuali Fund green eligibility list, matched by HS-6 tariff code. They will come mainly from energy generation and access (solar panels, solar water heaters and small hydropower equipment), with smaller shares in energy-efficient appliances and electric vehicles. Based on Finkargo's current green portfolio, the equipment it finances each year avoids an estimated 18,300 tCO₂e a year once installed. Finkargo's share of that is about **4,600 tCO₂e** because it finances only the imported equipment, not the full installed system.¹

Finkargo is a non-deposit-taking import-finance fintech, categorized **FI-2**. Finkargo has undergone E&S due diligence with IFC and its ESMS is being designed with IFC support.

E&S Categorization

Finkargo is categorized as **FI-2**, reflecting limited and manageable environmental and social risks typical of trade finance and MSME lending. Its portfolio is expected to include a limited number of business activities with potential limited adverse environmental or social risks that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. Exposures are short-term import financing (176 day average tenor, average EUR 254K per borrower); Finkargo does not provide project finance or long-term corporate finance, and no higher-risk transactions are expected.

Finkargo applies the IFC Exclusion List within its core credit-risk policy, so that excluded activities and goods are not financed. E&S risks arise at the level of the imported goods and the underlying importer operations, and are currently screened through exclusion-list and local-regulation compliance checks in the credit process rather than a dedicated E&S risk-assessment system.

¹ GAWA screening estimate based on HS-6 matched imports at 31 August 2026, IRENA 2024 benchmarks and national emission factors (UPME for Colombia; national factors for Mexico).

E&S Management System

Finkargo does not currently have a formal E&S policy or a standalone Environmental and Social Management System (ESMS), but it is developing its ESMS as required for an FI-2 institution. An ESG policy that reflects its E&S risk-management approach is in progress, being designed with the support of IFC.

The current framework relies on:

- **IFC Exclusion List screening:** applied during underwriting through the Credit and Risk Manual. The Credit Committee verifies the client's industry and the products traded by HS code, trade patterns and import history to confirm that clients do not engage in excluded activities.
- **Local-regulation compliance checks:** onboarding and KYB/KYC review of legal existence, customs and import authorizations, tax and financial compliance, and civil and criminal background (DIAN/RUT in Colombia; SAT/Padrón de Importadores in Mexico).
- **E&S governance:** VP of Impact and Corporate Relations coordinates impact management with the CEO and the lending, people and legal teams. There is no separate E&S risk-management function or dedicated E&S officer; all risk management currently sits within the risk department. The ESMS governance framework being built with IFC is expected to define E&S roles across the Risk and Impact departments.
- **Impact management and measurement:** separate from E&S risk management, Finkargo publishes an annual Impact Report covering access and enablement, inclusion and equity, trade performance and market diversification, business performance and resilience, and client perception, based on 60 Decibels client studies.

Finkargo does not yet operate a process to identify and categorize higher-E&S-risk loans, does not perform a pre-disbursement E&S assessment for such loans, and does not continuously monitor E&S risk at the portfolio level. It does not track GHG emissions, energy, water, paper, transport/fuel, waste or biodiversity.

Stakeholder Engagement and Grievance Mechanism

Given the import-finance model, Finkargo does not finance projects with affected communities. Engagement and grievance handling operate at the institutional level and are open to employees, contractors, interns, apprentices, suppliers and third parties. Clients and other external stakeholders can raise concerns through Finkargo's customer service channels and the Ethics Line.

Finkargo maintains a Code of Ethical Conduct that sets out the company's values, the standards of professional conduct and treatment of clients expected of all employees, and the sanctions that apply when they are breached. Governance, ethics and compliance grievances (including corruption, bribery, conflicts of interest and AML/CFT concerns) are handled through the "Speak-Up" policy, primarily via the Ethics Line (lineaetica@finkargo.com) or directly with a VP, line manager, the People department or the Compliance Officer. Anonymous reporting is permitted and Finkargo applies a strict no-retaliation guarantee. The People department conducts an admission analysis within 15 calendar days of receipt and opens a formal investigation where the evidence supports it, with outcomes ranging from disciplinary measures to termination of employment or commercial contracts and, where warranted, legal proceedings.

Workplace concerns are handled through several confidential channels. In Colombia these are the Labor Coexistence Committee (Comité de Convivencia Laboral) and the anonymous Ethics Line; in Mexico, the Ethics Line and the Meddi Nom platform, which allows anonymous digital reporting. Reports may be received by the Labor Coexistence Committee, the VP of People, the People Manager in each country, the Head of Finance, or the anonymous channels.

Complaints follow a four-step process with defined timelines: receipt and registration within 24 to 48 hours, with immediate protection measures; preliminary assessment within 5 business days; investigation by an impartial investigator, applying due process and a differential and intersectional approach, within 15 to 30 business days; and resolution, including any sanctions and corrective measures, within 10 business days. Complainants receive updates throughout, confidentiality is maintained, and the People team provides follow-up support.

For SEAH cases, the Sexual Harassment Prevention, Investigation and Sanction Policy (Colombia) applies alongside this procedure.

Gender and SEAH

Finkargo is 2X-aligned and uses the 2X Challenge for its own assessment. 48% of its clients are women-led and around 13–15% are majority women-owned; women make up 42% of the workforce (70 of 167) and three of the seven members of management, while the Board has no women.

Finkargo maintains a formal Diversity and Inclusion Policy (FK_PL002) and anti-harassment provisions: a formal Sexual Harassment Prevention, Investigation and Sanction Policy in Colombia (aligned to Law 2365 of 2024) and provisions within the Internal Labor Regulations in Mexico (standalone policy FK_PL006 approved, communication rollout pending).

Finkargo has explicit provisions to prevent, address, investigate, and sanction sexual harassment, exploitation, and abuse, as established in its internal labor regulations and specific policies, in compliance with applicable local legislation. In Colombia, the company has a formal Sexual Harassment Prevention, Investigation, and Sanction Policy, which has been approved, published, and communicated to all employees and relevant third parties, in compliance with Colombian labor law. In Mexico, provisions related to the prevention and sanction of harassment and abuse are included in the Internal Labor Regulations, in line with Mexican labor legislation, and a specific standalone policy has been defined and approved and is scheduled to be formally communicated to employees as part of the ongoing policy rollout process.

Existing ESAP Commitments

Finkargo has undergone an E&S due diligence with IFC and expects to receive an IFC ESAP to implement from Q4 2026. Its actions, deliverables and timelines are not yet available.

The ESAP in Section 4 will be harmonized with the IFC ESAP to prevent client fatigue and ensure coherent, focused capacity building. These milestones will be incorporated as covenants within Kuali Fund's legal agreements.

This disclosure is made in accordance with the GCF Information Disclosure Policy. Finkargo's ESMS, once adopted, will be required to align with the GCF Environmental and Social Policy and the Kuali Fund ESMS. Finkargo will report annually to GAWA/COFIDES on the E&S performance of its portfolio, including categorization, incidents, and grievance cases, in line with GCF reporting requirements.

This package is published in English and Spanish on 22 October 2026 and will remain publicly available for at least 30 days before financial close.

2. Acronyms and Glossary

- **2X:** 2X Challenge criteria for gender-lens investment.
- **ESAP:** Environmental and Social Action Plan.
- **ESDD:** Environmental and Social Due Diligence.

- **ESMS:** Environmental and Social Management System.
- **GAP:** Gender Action Plan.
- **FI:** Financial Intermediary.
- **GCF:** Green Climate Fund.
- **HS-6:** six-digit Harmonized System tariff code used to classify traded goods.
- **IFC PS:** International Finance Corporation Performance Standards.
- **IRM:** Independent Redress Mechanism of the GCF.
- **MIS:** Management Information System.
- **MRV:** Measurement, Reporting and Verification.
- **MSME:** Micro, Small and Medium-sized Enterprise.

3. Environmental and Social Due Diligence (ESDD) Report

3.1. Project Background

Finkargo is an asset-backed trade-finance fintech founded in 2021 specifically to address the financing constraints faced by SME importers in Latin America. It operates in Colombia and Mexico through local operating entities (Finkargo Colombia S.A.S. and Finkargo Mexico S.A.P.I. de C.V., SOFOM, E.N.R.). Finkargo is a non-deposit-taking, unregulated institution. Its core product, PAGA, is short-term import financing under which Finkargo pays international suppliers directly and is repaid by the importer once goods are received and sold, complemented by FX, cargo insurance, supplier verification and trade intelligence.

Investment: up to USD 10 million (EUR 8.8 million) subordinated/mezzanine facility, minimum term 18 months and final maturity 24 months, expected to support up to 207 additional SME clients at full mobilization.

3.2. E&S Categorization and Rationale

Finkargo is categorized as **FI-2**.

Funded Activities (Nature and Scale): short-term exposures (176-day average tenor and average loan per borrower of EUR 254K) to SME importers in Colombia and Mexico; no project finance, long-term corporate finance or higher-risk transactions. Capital is deployed against invoices and cargo flows.

Nature of Risks: limited E&S risks typical of trade finance and MSME lending, arising from the imported goods and the importers' own operations, plus supply-chain risks at origin. These are generally site-specific, largely reversible and readily addressed through screening and mitigation.

Sector Profile: the portfolio is diversified across machinery and technology (20%), plastics and industrial materials (18%), chemicals, minerals and energy (13%), garments, textiles and footwear (12%) and consumer and home goods (11%) (June 2026). By potential environmental impact, 71% of the portfolio is low risk, 3% medium and 25% high; the high-risk share is mostly manufacturing clients, financed with short-term working capital for imported inputs and equipment rather than new facilities.

Scale of Impact: the average loan per borrower is EUR 254K, categorizing exposures as small-scale relative to FI thresholds.

Rationale for FI-2: the portfolio consists of SME importers in sectors with limited E&S risks, plus supply-chain risks at origin; these are generally site-specific, largely reversible and readily addressed through screening and mitigation. FI-3 is not applied because some financed goods and importer activities carry more than minimal E&S risk; no Category A activities are financed.

3.3 Applicable Standards and Regulatory Framework

International Standards

- IFC Exclusion List
- IFC Performance Standards (as applicable to FI operations and sub-projects)
- IFC/World Bank Group EHS General Guidelines and sector-specific EHS Guidelines
- IFC Guidance Note on Financial Intermediaries (2023)
- Kuali Fund ESMS and Exclusion List
- GCF Revised Gender Policy and SEAH requirements
- GCF Environmental and Social Policy (Revised, B.BM-2021/18)
- GCF Information Disclosure Policy

National Regulations (Colombia and Mexico)

Finkargo operates as a non-deposit-taking institution and is not subject to prudential banking regulation. The national instruments referenced by the company in the questionnaires are listed below.

Regulation	Short Description	Relation to Kuali Investment
Código Sustantivo del Trabajo (Colombia)	Primary labour law governing employment terms; basis for written contracts and severance.	Foundation for Finkargo's PS2 alignment: written contracts for all 162 employees, freedom of association, and severance handled under these codes.
Ley Federal del Trabajo (Mexico)	Federal labour law governing employment terms, freedom of association and collective bargaining.	Evidences PS2 compliance on workers' organizations and working conditions for Finkargo's own workforce.
Reglamento Interno de Trabajo (Colombia). Law 1010 of 2006 (Colombia)	Internal labour regulations recognizing freedom of association and, in Colombia, prohibiting company interference with the right of association (Chapter XII).	Evidences PS2 compliance on workers' organizations and working conditions for Finkargo's own workforce.
Law 2365 of 2024 and Resolution 3461 of 2025 (Colombia)	Sexual-harassment prevention and attention law; basis for Finkargo's Sexual Harassment Prevention, Investigation and Sanction Policy.	Basis for Finkargo's Sexual Harassment Prevention, Investigation and Sanction Policy; supports PS2 (SEAH) and the grievance mechanism Kuali relies on.
SG-SST (Colombia)	Occupational Health and Safety Management System; risk identification, prevention and annual assessment.	Provides PS2 (OHS) assurance for Finkargo's workforce; complements building-level fire and safety compliance managed by WeWork.
NOM-035-STPS-2018 / NOM-037-STPS-2023 (Mexico)	Psychosocial risk-factor identification and teleworking OHS.	Provides PS2 (OHS) assurance for Finkargo's workforce.
SARLAFT / SAGRILAFT and PTEE (Colombia), equivalent AML/CFT obligations (Mexico)	AML/CFT self-control systems and the business-transparency/anti-corruption programme, embedded in origination and monitoring.	Underpins Finkargo's client screening (against restrictive, OFAC and UN lists) that Kuali's ESMS review relies on to exclude illicit activities at origination.
DIAN / RUT (Colombia); SAT / Padrón de Importadores (Mexico)	Customs and tax authorities; import-authorization, importer-registry and tax-compliance requirements for cross-border trade.	Directly relevant to Finkargo's trade-finance model: verification that borrowers hold valid import authorizations is a funding prerequisite,

		forming the PS1 legal-compliance screen.
IFC Exclusion List (adopted contractually via the Credit and Risk Manual)	Prohibits financing of illegal activities and sectors associated with significant environmental or social harm, including harmful/forced/child labour and unsustainable forestry.	Finkargo's primary E&S screen at sub-borrower level pending adoption of the ESMS; Given the nature of its business (short-term import finance against invoices and cargo, with no project finance, long-term corporate finance or physical assets), PS3–PS8 are not triggered; sub-borrowers are screened against the Exclusion List and national law.

3.4 Scope of Review and Methodology

The Kuali Fund E&S review is proportional and risk-based. The review was carried out by GAWA Capital's Impact and Investment team between July and September 2026 through desk review of the documents listed in 3.5, management interviews and client visits. It confirms the FI-2 categorization, assesses the ESMS in progress against the applicable IFC Performance Standards and identifies gaps to be addressed alongside the forthcoming IFC ESAP.

The interviews were conducted with multiple functions, highlighting:

- **CEO** (Santiago Molina)
- **VP Impact & Investor Relations** (Cristina Gutiérrez)
- **VP People** (Ana María García),
- **Chief Revenue Officer** (Juanita Pardo)
- **CFO** (Felipe Castellanos),
- **Chief Lending Officer – Risk** (Juan Pablo Gonzalez)
- **Commercial Head** (Martín Nicholls)

These interviews included a review of each function, and key discussion on risk management, collection practices and commercial practices, customer service and satisfaction, human resources management.

Additionally, site visits were conducted to more than ten Finkargo clients across Colombia and Mexico, including clients in climate-aligned sectors such as electric mobility and renewable energy.

The following tools and guidance were used:

- **IFC Performance Standards:** to assess the design of Finkargo's E&S risk management and labour practices.
- **Alinus/SPI-5 and Green Index:** To evaluate social performance and green readiness.
- **Kuali Gender questionnaire:** To evaluate gender compliance.

3.5 Documents Reviewed

- PS1 FI ESMS Questionnaire (completed by Finkargo, February 2026)
- PS2 Screening Questionnaire (labour and working conditions)
- Corporate Governance Questionnaire (Finkargo ABL Trust)
- Finkargo 2025 Impact Report
- ESG Impact Scorecard Credit Saison
- Credit and Risk Manual

- Diversity and Inclusion Policy (FK_PL002)
- Sexual Harassment Prevention, Investigation and Sanction Policy – Colombia; Sexual Harassment Prevention Policy – Mexico (FK_PL006)
- Reglamento Interno de Trabajo – Colombia and Mexico
- Kuali Gender Questionnaire and indicators (completed by Finkargo, September 2026)
- 60 Decibels gender-disaggregated client analysis

3.6 Assessment Results: IFC Performance Standards Gap Analysis

Finkargo's Environmental and Social Due Diligence focuses exclusively on Performance Standards 1 and 2. Performance Standard 1 is evaluated to ensure the institution possesses a robust ESMS capable of cascading risk management down to the portfolio level, effectively delegating the oversight of the sub-projects. Performance Standard 2 is applied directly to the financial intermediary's own workforce, requiring the institution to maintain fair employment practices, safe working conditions, and adequate human resources policies for its own internal employees.

The remaining Performance Standards (PS3 to PS8) are not triggered, given the nature of Finkargo's business. Finkargo provides short-term import finance against invoices and cargo, with no project finance or long-term corporate finance, and neither Finkargo nor its financing involves physical activities such as industrial pollution, land acquisition, resettlement or biodiversity clearing. Under the ESMS to be adopted (ESAP Actions 1–5), higher-risk clients will be identified through E&S categorization and, where relevant, assessed before disbursement.

3.6.1 Application of Kuali ESMS Tools

The ESDD utilized specialized tools to verify compliance and institutional maturity:

Kual ESMS Tool	Summary of Findings for Finkargo
Alinus/SPI-5	74% overall. Strong client protection (92%), responsible HR (92%) and a data-led social strategy (90%), verified by 60 Decibels (NPS 85). Main gap: environmental performance management (10%).
Green Index (3.0)	12.4%, Phase 0 (Base). No environmental strategy or climate-risk identification; financial green offer at 16% from sustainable imports matched by tariff code; no non-financial green services (0%).
Gender Assessment	Finkargo scores 50% in the Kuali gender questionnaire: sex-disaggregated data, non-discriminatory product requirements and inclusive communications; gaps in governance of the gender agenda. 2X-aligned: 48% women-led clients, women in 42% of the workforce and three of seven management roles; no women on the Board and no dedicated gender policy or gender lead. Finkargo is committed to expanding and designing products and services for women-led businesses through a strategy covering product design, marketing, funding and credit risk.

PS 1: Assessment and Management of Environmental and Social Risks and Impacts

ESMS Component	Findings
E&S Policy	Not in place. Finkargo has no standalone E&S/ESG policy and senior management has not signed off on one. It operates an impact management and measurement framework and an annual Impact Report verified by 60 decibels, which measures impact outcomes, but does not address E&S risks directly. An ESG policy reflecting its E&S risk-management approach is in progress, designed with IFC support.

Exclusion List	In place. Finkargo adheres to the IFC Exclusion List, referenced in the Credit and Risk Manual. During underwriting the Credit Committee verifies the client's industry and the products traded by HS code, trade patterns and import history to confirm clients do not engage in excluded activities.
E&S Risk Assessment	Not in place as a dedicated process. Finkargo does not categorize higher-E&S-risk loans, does not perform a pre-disbursement E&S assessment for such loans and does not continuously monitor E&S risk. Underwriting reviews client compliance with local regulations (legal existence, customs/import authorizations, tax and financial compliance, civil and criminal background) and screens excluded/non-financed activities. E&S is not treated as core credit risk.
Sector-Specific Mitigation	Finkargo does not engage in project finance. Screening against the IFC Exclusion List and verification of host-country customs and operational permits are applied at origination (DIAN RUT Responsibility 10 and SARLAFT background checks in Colombia; SAT Padrón de Importadores, 32-D compliance opinion and tax-domicile status in Mexico). Occasional site visits (around 10–15% of clients) verify that operations are physically in place.
External Portfolio Risks	Import trade-finance model with supplier concentration in a limited number of origin markets. KYC/KYB screening (Datariesgos, Mati/MetaMap, Buró de Crédito) and screening against AML/CFT, OFAC and UN sanctions lists are applied at onboarding and monitored on an ongoing basis. Sub-borrower E&S risk beyond exclusion-list and local-regulation checks is not separately screened; this is addressed by ESAP actions 4 and 5.
Green Readiness	At an early stage. Finkargo has an emerging climate-aligned line of USD 5.09M of sustainable imports (electric vehicles and renewable energy). Green tagging and MRV are not yet embedded at origination and are identified as a technical-assistance opportunity.
Organizational Capacity	A VP of Impact and Investor Relations coordinates impact management with the CEO and the lending, people and legal teams. There is no separate E&S risk-management function or dedicated E&S officer; all risk management sits within the risk department. The ESMS being designed with IFC is expected to define E&S roles across the Risk and Impact departments.
Stakeholder Engagement	Given the import-finance model, Finkargo does not finance projects with affected communities. Nevertheless, engagement and grievance handling operate at the institutional level and are open to employees, contractors, interns, apprentices, suppliers and third parties.
Grievance Mechanism	Multiple confidential channels are open to all crew members (employees, contractors, interns, apprentices, suppliers and third parties): the anonymous Ethics Line (Línea Ética), the Comité de Convivencia Laboral in Colombia and the Meddi Nom platform in Mexico. Reports may be received by the Committee, the VP of People, the People Manager in each country, the Head of Finance or the anonymous channels, and follow a four-step process: receipt (24–48 hours), preliminary assessment (5 business days), investigation (15–30 business days) and resolution (10 business days), with updates and follow-up to the complainant. Awareness is built through onboarding, company-wide Slack and email communication and posted policies. Governance, ethics and compliance grievances are handled through the “Speak-Up” policy with a 15-calendar-day admission analysis and a no-retaliation guarantee.
Customer Protection and Treatment of Clients.	Finkargo gathers client feedback through multiple channels, including regular NPS surveys. In the 60 Decibels 2024 Impact Study it recorded an NPS of 85, with 90% of clients agreeing that fees and charges are fully transparent and 94% agreeing they are treated fairly and respectfully. Product development is grounded in direct user interviews, workflow observation and continuous client validation, which surfaces

	recurring structural challenges facing MSME importers and informs the product roadmap.
Monitoring and Reporting	No internal process to report E&S issues to senior management, and no monitoring of client E&S performance. Non-financial monitoring covers impact indicators, customs/trade data reported through the annual Impact Report, verified by 60 Decibels surveys. Finkargo does not track GHG emissions, energy, water, paper, transport/fuel, waste or biodiversity.
IFC PS Compliance	ESMS in progress to align with the applicable IFC Performance Standards. Finkargo has undergone IFC E&S due diligence and will implement the corresponding IFC ESAP. The Kuali ESAP (Section 4) sets out the actions to integrate the ESMS into the credit process.
Indigenous Peoples	Investee operations do not directly or indirectly affect Indigenous Peoples. The institution works with MSMEs.
Gender and SEAH	2X-aligned (2X Challenge). 48% women-led and around 13–15% majority women-owned clients; women make up 42% of the workforce and three of seven management roles; the Board has no women. Kuali gender questionnaire score of 50% (September 2026): strengths in sex-disaggregated data, non-discriminatory product requirements and inclusive communications; gaps in gender governance (no gender lead, resources or product-team specialist) and staff capacity (no baseline or gender training). Diversity and Inclusion Policy (FK_PL002) and anti-harassment policies in Colombia (Law 2365/2024) and Mexico (FK_PL006, rollout pending).
Deforestation Risk	Not identified as material. The IFC Exclusion List bars commercial logging in primary tropical moist forest and unsustainable forestry. No portfolio-level deforestation monitoring is in place. Deforestation risk of financed imports (e.g., timber and wood products, agricultural commodities) will be screened through the E&S categorization procedure.

PS 2: Labor and Working Conditions

Finkargo's HR framework is governed by the Colombian Código Sustantivo del Trabajo and the Mexican Ley Federal del Trabajo. The assessment against PS2 is summarized below.

Assessment Area	Findings
Working Conditions & Terms of Employment	All employees have written contracts (162 direct employees) covering role, conditions, compensation, benefits, disciplinary framework and termination. Compensation meets or exceeds legal minimum wage; the company reports full-time employees only.
Workers' Organizations	Freedom of association and collective bargaining are recognized in the internal labour regulations (Colombia: Reglamento Interno de Trabajo, Chapter XII; Mexico: per Ley Federal del Trabajo). No unions are recognized and there is no collective bargaining agreement. Other representation exists through the Comité de Convivencia Laboral and COPASST in Colombia, with company- and employee-elected representatives.
Non-Discrimination & Equal Opportunity	Formal Equal Opportunities and Non-Discrimination Policy via the Diversity and Inclusion Policy (FK_PL002), covering the full employment lifecycle and applying to all crew members (employees and contractors). No pregnancy or HIV testing. Initiatives include inclusive recruitment, unconscious-bias training, merit-based promotion, periodic pay-equity reviews, confidential reporting channels and flexible working.
Workers Engaged by Third Parties	Five contractor workers (the three founders, the Chief Lending Officer and the Head of AI), engaged as individual professionals under service agreements rather than

	through staffing firms. The grievance mechanism and Diversity and Inclusion Policy extend to contractors.
Sexual Exploitation, Abuse and Harassment (SEAH)	Colombia: formal Sexual Harassment Prevention, Investigation and Sanction Policy (Law 2365/2024), approved, published and communicated, with launch training (July 2025) and mandatory onboarding reading. Mexico: provisions within the Internal Labor Regulations (NOM-035/NOM-037); standalone policy FK_PL006 approved, communication rollout pending. Service providers are covered. Refresher training is in development.
Supply Chain	Finkargo's suppliers are overseas manufacturers and distributors of the goods its clients import. Finkargo conducts supplier due diligence and counterparty analysis (historical transaction volumes, relationships with other importers, corporate banking credentials, registered physical addresses and HTS classification), centralized through its Analiza platform, with two-factor direct supplier verification and an enhanced origin-validation protocol (including in-person visits) for new suppliers. The IFC Exclusion List prohibits forced and child labour in financed activities.
Workers' Grievance Mechanism (GRM)	Multiple confidential channels including anonymous options: Ethics Line, Comité de Convivencia Laboral (Colombia) and Meddi Nom platform (Mexico). Four-step process: receipt (24–48 hours), preliminary assessment (5 business days), investigation (15–30 business days) and resolution (10 business days). Contractors have access. Zero grievances and zero sexual-harassment reports were received over 2023–2025.
Human Resources Policies	An HR policy exists but is not disseminated or posted to all employees (maintained as an internal governance framework for the People team). Finkargo has a Code of Ethical Conduct and a duty-to-report mechanism via the “Speak-Up” policy.
Gender Integration and Workforce Diversity	Workforce of 167 (97 men, 70 women; 42% women); management of 7 (3 women); Board of 5 (no women). 2X Challenge aligned. The Kuali gender questionnaire (50% score) confirms a formal Diversity and Inclusion Policy, inclusive communications, sex-disaggregated workforce and client data, and women in key product and channel roles, with women's retention (70%) slightly below men's (74%). Gaps: no designated gender lead or internal gender specialist, no staff gender-knowledge baseline and no gender training delivered to date, and no specific policies yet for women's recruitment, promotion and leadership development.
Child and Forced Labor	Finkargo adheres to the IFC Exclusion List, which prohibits harmful or exploitative forms of forced and child labour. It does not run dedicated child- or forced-labour screening of the primary supply chain, as it does not engage in project finance. Product- and origin-level labour-risk screening will be incorporated into the ESMS.
Occupational Health and Safety	Colombia: Occupational Health and Safety Management System (SG-SST) with annual risk assessment. Mexico: NOM-035-STPS-2018 (and NOM-037-STPS-2023). Offices are in WeWork-managed buildings in Bogotá and Mexico City, with fire and building-safety permits maintained by WeWork; the VP People is the senior OHS owner and COPASST supports oversight in Colombia. No fire incidents in the last two years.

4. Environmental and Social Action Plan (ESAP)

The following ESAP focuses on structuring Finkargo's environmental and social risk management to the standard expected of an FI-2 institution: a standalone E&S policy, an ESMS, a designated E&S Risk Officer within the Risk department, and a loan categorization and pre-disbursement assessment process for higher-risk exposures. It will be harmonized with the IFC ESAP once available to avoid duplication and client fatigue. Timelines are expressed relative to first disbursement; agreed milestones will be incorporated as covenants in the Kuali Fund legal agreements.

#	Action	PS	Deliverable	Resp.	Current Status	Timeline
1	Adopt an E&S/ESG Policy, approved by senior management, that articulates how Finkargo identifies, manages and mitigates the E&S risks connected to the use of its products and services.	PS1	Senior-management/Board-approved E&S Policy.	Risk dept., with Impact and Legal; CEO sign-off.	In progress – being designed with IFC support.	Within 12 months of first disbursement.
2	Establish and document an ESMS that operationalizes the E&S Policy into procedures (exclusion-list screening, risk categorization, pre-disbursement assessment, monitoring and reporting) integrated into the Credit and Risk Manual and the credit workflow.	PS1	Documented ESMS integrated into the underwriting process.	Risk dept. (E&S Risk Officer), with Impact.	In progress – ESMS being designed with IFC.	Within 12 months of first disbursement.
3	Appoint a designated E&S Risk Officer within the Risk department, with defined responsibilities and reporting line.	PS1	Appointment, terms of reference and reporting line to the CRO/Risk Committee.	Risk dept. / CEO.	Not started – E&S functions currently sit within Risk without a dedicated officer.	Within 12 months of first disbursement.
4	Implement a process to identify and categorize loans and clients by E&S risk level (low / medium / high) at origination, using sector, HS-code and exclusion-list criteria.	PS1	E&S risk-categorization procedure with criteria and a system flag in the origination platform.	Risk dept. (E&S Risk Officer).	Not started.	Within 12 months of first disbursement.
5	Establish a protocol to perform an E&S assessment before disbursement, at least for loans categorized as higher E&S risk, with documented findings, conditions and Credit Committee / Control Desk sign-off.	PS1	Pre-disbursement E&S assessment protocol embedded in the credit workflow, with records held in the MIS.	Risk dept. (E&S Risk Officer); Credit Committee.	Not started.	Within 12 months of first disbursement.
6	Deliver E&S training to credit, risk, lending and Control Desk staff on the ESMS, the categorization criteria and the pre-disbursement assessment protocol.	PS1 / PS2	Training plan and delivery records.	Risk dept. (E&S Risk Officer), with People.	Partial – compliance/AML training in place; no E&S-specific module.	Within 12 months, then annually.
7	Once the IFC ESAP is available, harmonize milestones and timelines with this ESAP to avoid duplication and client fatigue, and incorporate the agreed milestones as covenants in the Kualu Fund legal agreements.	PS1	Harmonized ESAP / covenant schedule.	GAWA Capital / Finkargo Risk.	Pending – IFC ESAP not yet available.	At financial close / on receipt of the IFC ESAP.

5. Summary and Recommendations

The ESDD confirms an FI-2 categorization for Finkargo, reflecting limited and manageable E&S risks typical of trade finance and MSME lending.

As a relatively new institution, Finkargo is building its E&S systems and processes toward international standards. It does not yet have a formal E&S policy or standalone ESMS; E&S is currently embedded in the Credit and Risk Manual through IFC Exclusion List screening and local-regulation compliance checks, with an ESMS being designed with IFC support. Its labour (PS2) framework is comparatively developed, with written contracts, a Diversity and Inclusion Policy, anti-harassment policies, a multi-channel grievance mechanism and occupational health and safety systems in both countries.

Finkargo has undergone IFC E&S due diligence and will implement the corresponding IFC ESAP, whose specific contents are not yet available. Green readiness is at an early stage (an emerging climate-aligned line, with no green tagging or MRV at origination), the company is reported as 2X-aligned and scores 50% in the Kuali gender assessment.

Recommendation: The investment is recommended for approval. The Kuali ESAP in section 4 harmonized with the IFC ESAP, will be incorporated as covenants in the Kuali Fund loan agreement. A Gender Action Plan has also been shared with Finkargo and incorporated in the loan agreement. Finkargo will undergo an annual E&S review, and a supplemental ESAP will be proposed if further gaps are identified.

Finally, to support this transparency, GAWA Capital encourages stakeholders to submit any questions regarding this disclosure document to grievance@gawacapital.com

Complaints about this sub-project may also be submitted to COFIDES [gcfdisclosure@cofides.es] and to the GCF Independent Redress Mechanism (<https://irm.greenclimate.fund>).

End of Disclosure Package