

# BluePeak Private Capital

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## 2023 Sustainability Report

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July 2024







**Our mission is to  
build partnerships  
that deliver attractive  
returns by supporting  
impactful growth  
across Africa.**









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# Foreword

**This report offers a transparent overview of our Environmental, Social, and Governance (“ESG”) performance, highlighting our impact, challenges, and future aspirations. It underscores our commitment alongside our partners to foster inclusive growth. Throughout this document, particularly in section 5, our portfolio companies are shown to positively impact their communities while effectively mitigating ESG risks.**

Since 2019, we have embarked on a transformative journey as an alternative asset management firm, driven by a mission to deploy conscious capital while addressing the growing challenges posed by Africa’s significant funding gap.

In 2023, existing macroeconomic challenges were further exacerbated by geopolitical uncertainties, making it undeniably a volatile year for Africa. Persistent shocks driven by increased inflationary pressures, currency devaluations, and increasing interest rates have slowed down the recovery of the continent but at the same time amplified the opportunity. The progression of these events has made many companies, especially SMEs, come under stress, underscoring the critical need for alternative sources of capital.

At BluePeak, as we navigate the dynamic landscape of financial markets and economic development, our dedication to sustainability remains unwavering. Our approach to maximizing returns to our investors goes hand in hand with helping the companies we invest in, while they develop a sustainable and impact-driven strategy for growth. The flexible and bespoke financing solutions that BluePeak provides have demonstrated that SMEs can combine performance with sustainability.

Our commitment to transparency and accountability continues to yield positive results as our ESG & Impact frameworks have been externally audited concluding full alignment with the 9 Operating Principles for Impact Management.

This year was a pivotal year for us as we reached the final closing of our inaugural fund, **BluePeak Private Capital Fund SCSp** (the “Fund”), raising US\$ 158 million and making two new investments resulting in (i) increasing access to transportation & logistics and (ii) fostering financial inclusion across the continent. Our investment in Prime Logistics, a vertically integrated transportation, and logistics player, in particular, marked **our first ESG-linked Investment**, illustrating our broader ambition to progressively link commercial returns to sustainability outcomes.

We would like to express our sincere appreciation to our partners for their continued support and collaboration on this sustainability journey.



**Together,  
we can create  
a more sustainable and  
resilient future for Africa.**

Sustainably yours, The BluePeak Team



# 1

## About Us

### Who we are

Founded in 2019, BluePeak is one of the first fully dedicated private credit investors in Africa, providing bespoke and flexible financing solutions for SMEs and mid-cap companies looking to fund their growth ambitions.

BluePeak's deep networks, built over our experience in investing in emerging markets, equip our teams based in London, Nairobi, and Tunis with a fundamental understanding of economic and social dynamics across the continent, and a unique set of predominantly proprietary investment opportunities.



**US\$**  
**158 million**  
**AUM**

**3**

OFFICES



**London**



**Tunis**



**Nairobi**



**6**

PORTFOLIO  
COMPANIES

Operating in  
**25 countries**



**13**

TEAM  
MEMBERS

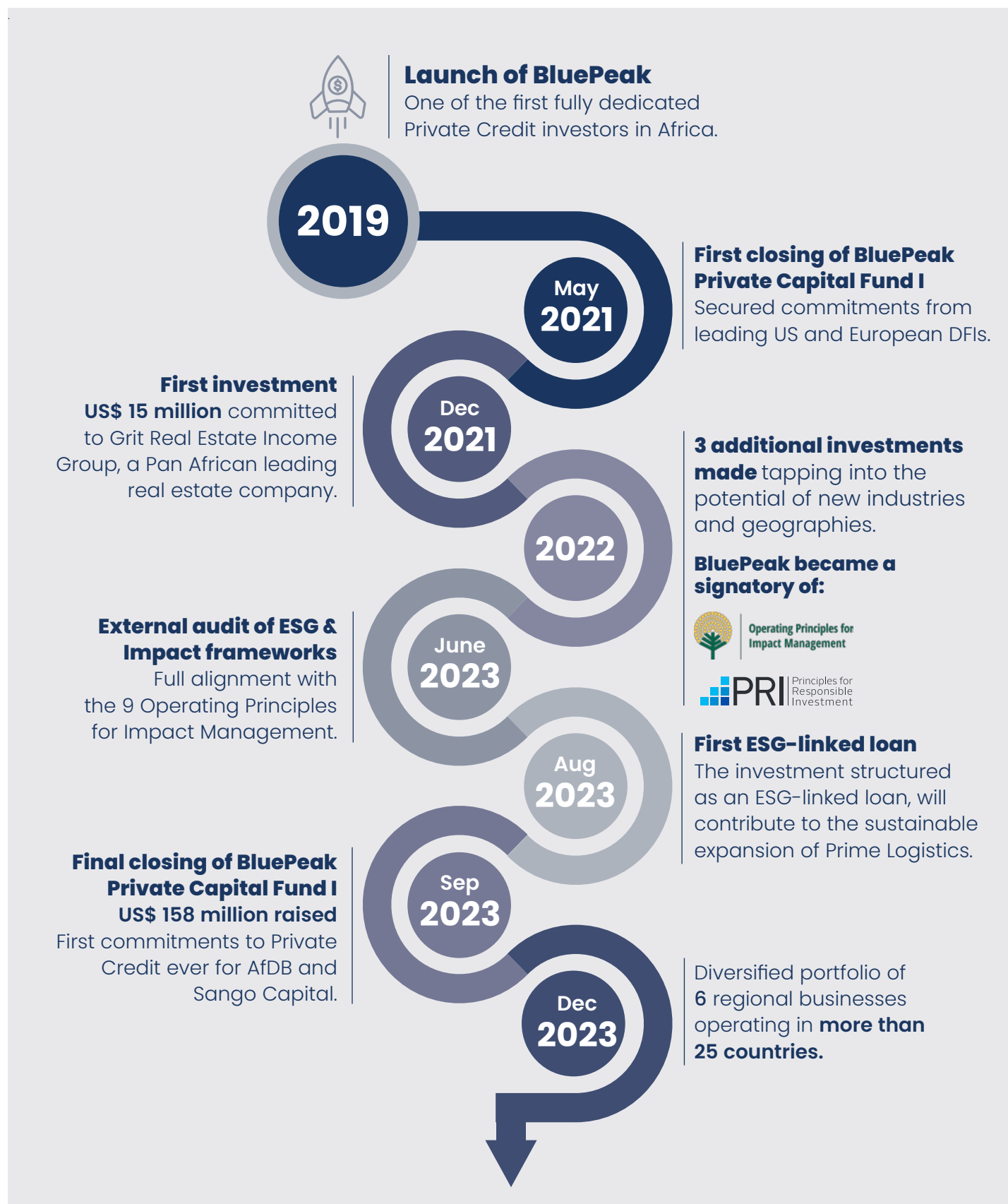


**60%** are female



# Our journey

Since 2019, we have embarked on an incredible journey, achieving significant milestones in a short timeframe:





# Our strategy

We offer a unique investment strategy and approach, incorporating the following key characteristics:

## Strong investment experience combined with extensive and diverse networks

- Founders made more than 30 investments in over 20 sectors and 30 countries
- Efficient deployment pace and proven track record
- Selective and conservative sourcing approach
- Rigorous credit investment process with strong focus on policies & procedures
- Active portfolio management and strategic support

## Bespoke capital solutions for mid-sized companies and sponsors

- Target attractive risk-adjusted returns of 18% IRR with an 8%+ annual cash yield
- Focus on preservation of capital, combining current income, downside protection and capital appreciation



## Substantial funding gap for SMEs and mid-cap companies

- Funding gap estimated to amount to US\$ 421 billion<sup>1</sup> and expected to further increase
- Markets with favorable demographics, sizeable economies with solid fundamentals and consumption trends
- Limited access to growth capital from traditional financing sources

## Focus on sustainability outcomes and positive impact

Our approach focuses on driving positive social and economic impact while ensuring ESG compliance to minimize negative outcomes with a specific commitment to

- (i) gender equality,
- (ii) quality jobs creation, and
- (iii) climate risk mitigation



As part of our value proposition, we embedded ESG & Impact considerations into our investment approach and decision-making process. This is fully ingrained in our mission statement to build partnerships that deliver attractive returns by supporting impactful growth across Africa.

**Adam Hadidi, Senior Partner**

<sup>1</sup> Source: The African Development Bank.



# Our portfolio at a glance

We believe that our portfolio companies are our partners, hence, we work from their perspective to design innovative financing solutions across the full capital structure that meet their unique and evolving needs for growth capital. Beyond financial investment, we work closely with our portfolio companies to drive operational excellence, support ESG integration, and facilitate the implementation of new strategies that help them unlock scale and diversity in their offerings.



Pan-African real estate company focused on acquiring and managing real estate assets.



Pan-African provider of passive infrastructure engineering, O&M services, and hybrid power solutions to the telecom sector.



africure

Pan-African manufacturer and distributor of essential generic pharmaceutical products.



Asset finance institution offering secured lending to finance 2-wheeler and 3-wheeler motorcycles in East Africa.



Provider of integrated logistics services to blue-chip customers in East and Central Africa.



Established and diversified financial services holding company in Francophone West Africa.



Our portfolio is strategically diversified both geographically and across various sectors, encompassing leading regional businesses in their respective fields. Channeling capital to Africa is crucial for driving sustainable growth and fostering economic resilience across the continent.

**Rami Matar, Senior Partner**

Diversified portfolio across **5 industries** and a presence in **over 25 countries**



**Portfolio Exposure by Sector**

**5 industries**

- Financial Services
- Telecoms
- Real Estate
- Logistics
- Pharmaceuticals



**Portfolio Geographic Exposure**

**>25 countries**

Existing portfolio





# 2

## Our 2023 Highlights



This year has been exceptionally busy for us, marked by achieving significant milestones in a short period. This remarkable progress stands as a testament to the outstanding effort, dedication, and hard work of our team, and this makes us very proud.

**Walid Cherif, Managing Partner**





## Catalyzing additional capital for the continent's growth

Despite the persistent challenges in attracting capital to emerging markets, we held the Final Closing of the Fund, securing **US\$ 158 million** of commitments from a group of prestigious investors welcoming the African Development Bank and Sango Capital as new investors and marking their first investments in private credit.

This capital is instrumental in helping us bridge the financing gap for impactful businesses across Africa, furthering our mission to provide tailored financial solutions where they are needed most.



## Meeting the unique and evolving needs of businesses

Difficulty obtaining capital for ambitious businesses has long held back their financial development and positive economic and social impacts. Since 2021, we have progressively built a robust and diversified portfolio by offering compelling financing alternatives tailored to the unique and evolving needs of businesses across the continent.

In 2023, we invested an additional **US\$ 35 million** in 2 leading regional and impactful businesses, seizing the opportunity to tap into the potential of Francophone West Africa and further expanding our presence in the logistics and transportation space.



## Aligning with Best-in-Class industry standards

Our ambition is to unlock scale while ensuring that our **ESG & Impact** procedures are aligned with the highest industry standards to maximize our value addition. In June 2023, we commissioned a third-party verification of our alignment with the Impact Principles, which was conducted by **Innpact**, and concluded our alignment with the **9 principles**.

We are very proud of this important milestone and will continue to improve our procedures to ensure that sustainability outcomes are fully embedded in our investments.



## Linking commercial returns with sustainability outcomes

Our investment in Prime Logistics structured as ESG-linked, is contributing to the sustainable expansion of Prime's African operations, increasing access to high-quality logistics services while lowering associated emissions and boosting regional connectivity.



## Capturing and addressing climate risks

With the support of our partner SwedFund, we integrated 2 new tools in addition to specific climate-related questions into our due diligence and reporting processes:

### Climate Risk Assessment Tool

Assess transition and physical risks to support BluePeak in addressing its climate risks and raising awareness by promoting climate risk mitigation within its portfolio companies.

### GHG Emissions Tool Calculator

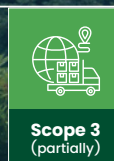
Provide an estimate of BluePeak's scope 1, 2, and 3 (partially) emissions on an annual basis.



Scope 1



Scope 2



Scope 3  
(partially)



# 3

## Our Sustainability Journey



As a fund manager dedicated to deploying conscious capital, in 2023 we prioritized aligning our sustainability framework with the highest industry standards to ensure transparency and consistency. Sustainability continues to climb up investors' agendas, and we have made tangible progress with the implementation of our strategy and now have a robust framework enabling us to set and monitor sustainability outcomes across our portfolio. Moving forward, we remain committed to advancing our sustainability approach and strengthening our capabilities.

**Selma Cherif**, Principal – Sustainability & Stakeholders' Engagement



# Approach

Our approach to sustainability is based on a **multi-faceted framework**, which is focused on investments and performance while engaging with all stakeholders to generate sustainable outcomes.

We consider impact and ESG to be interconnected, where ESG aims to manage risks and prevent negative outcomes that could harm people and the environment, and impact is about creating positive changes for stakeholders through our investments.

We developed policies and procedures that detail how ESG and impact considerations are integrated into our investment process. This ensures that BluePeak's activities comply with agreed ESG standards while identifying opportunities to foster **(i) inclusivity, (ii) resilience, and (iii) climate action** across our portfolio. It helps BluePeak to identify and manage ESG risks by conducting detailed due diligence before investing and adequately supervising investments during the life of the investment and at the exit.



Our focus is on collaborating with SMEs to enhance their market position through direct engagement with management. We assist them in achieving their objectives of creating a sustainable business while generating a lasting positive impact.

# Team

Whilst sustainability is a firm-wide responsibility and is embedded in all steps of BluePeak's investment process, post-investment monitoring, and exit, we decided in 2023 to establish a dedicated function, the **Sustainability & Stakeholders' Engagement** ("SSE") function.



**Sustainability is led and managed by a dedicated team of 4 members**

## A Our ESG Approach

Our ESG standards adhere to many international best practices and are updated per directives. An iterative process, evolving as needed, has requirements that are based on the IFC Sustainability Framework in addition to leading industry standards.

ESG is embedded in all steps of BluePeak's investment process, post-investment monitoring and exit. We aim to identify and mitigate significant investment risks and create value by incorporating pertinent ESG factors into the investment process.

The ESG risks are assessed in detail during the due diligence and where compliance cannot be demonstrated, action plans must be agreed for the investment to proceed. Ongoing monitoring is focused on regular reporting on action plan completion and compliance with ESG principles and covenants.

We employ a hands-on approach with the portfolio companies and strive to act as a partner to ensure timely access to ESG updates, allowing for reasonable corrective action to be implemented where required.

- IFC Sustainability Framework
- UN Sustainable Development Goals
- European Development Financing Institutions' Exclusion List
- British International Investments' fossil fuel policy
- Applicable national and international laws
- International Labour Organisations' Basic Terms and Conditions of Employment
- World Banks' General EHS Guideline
- African Development Bank Groups' Integrated Safeguards System
- EU Sustainable Finance Disclosure
- Regulations Minimum Safeguards



As you will see through the **two following spotlights**, our partnerships have significantly enhanced the portfolio companies' approaches to managing and mitigating ESG risks. Since our investment, we have been working closely with their team to drive change and compliance with the best-in-class industry standards.



## Spotlight on **Prime Logistics**

# Driving Sustainable Growth

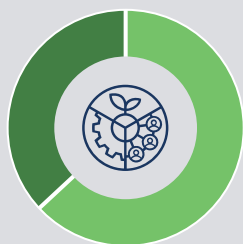
Linking returns to sustainability outcomes.

The investment in Prime Logistics, structured as an ESG-linked investment, contributes to the sustainable expansion of the company's operations in Africa, increasing access to high-quality services while lowering associated emissions, creating social impact, and boosting regional connectivity.

Building on the company's ESG track record, a specific Environmental & Social Action Plan ("ESAP") was developed to further prioritize the sustainable growth of the business. A portion of the Fund's return is linked to the company's commitment to fulfilling a pre-established ESAP within the agreed-upon deadlines. By linking financial terms directly to sustainability targets, the company has effectively aligned its operational goals with broader environmental and social objectives.

## OUR VALUE ADDITION

This strategic approach has proven highly effective, as evidenced by Prime Logistics' proactive initiation of ESAP-related actions even before the investment was finalized. This early engagement not only underscores the company's dedication to sustainability but also enhances investor confidence, ultimately driving financial performance and fostering long-term value creation.



# 65%

of the ESAP items  
were completed  
**within 6 months**  
from investment.

## SNAPSHOT OF THE ESAP

- **Capacity & accountability:** appointment of a qualified E&S Manager at the group level and a dedicated Sustainability Director.
- **Integrated environmental & management system at the group level.**
- **Grievance mechanisms:** development of internal and external grievance mechanisms.
- **Resource efficiency:** initiated the development of a resource efficiency and management plan – baseline data collected and plans with targets are being developed.
- **Community:** development of a code of conduct and risk guidelines for security contractors.



## Spotlight on iENG

# Driving Governance Excellence

In line with our approach with all portfolio companies, our team collaborated closely with iENG to integrate governance practices seamlessly. Our focus was to establish a robust corporate governance framework that fosters transparency, accountability, and diversity.

iENG was founded by two friends and former colleagues at MTN (the “Founders”), who started by leveraging their industry experience and network to specialize in telecom tower construction. They later started to gradually expand their operations geographically to make iENG one of the largest players in Africa’s telecom infrastructure sector.

The Founders’ entrepreneurial mindset drove the company’s significant growth in challenging geographies and helped overcome various obstacles. BluePeak’s investment prompted iENG to prioritize governance, a shift aimed at ensuring sustainable strategic growth and risk management.

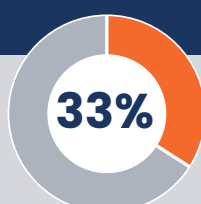
During the due diligence process, we identified areas for enhancing iENG’s governance structure. With a strong willingness to improve, iENG embarked on a journey of commitment to these actions.

With our team’s ongoing support and monitoring, a progressive transition of the company was operated to shift to a fully functional board with diverse members and committees.

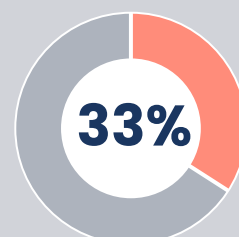
## APPOINTMENT OF DIRECTORS

BluePeak worked closely with iENG’s team to create a process for hiring independent directors. This process led to the recruitment of two independent board members, one of whom is a woman. BluePeak also used its connections to suggest candidates and help narrow down the choices.

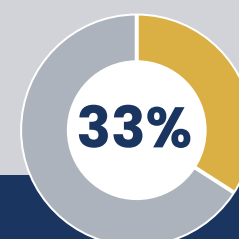
In total, there are **6 directors** on the Board, of which **2 are female**.



  
**FEMALE DIRECTORS**



**INDEPENDENT DIRECTORS**







## Spotlight on iENG

# Driving Governance Excellence

### OUR VALUE ADDITION

The Corporate Governance Action Plan (“CGAP”) of BluePeak developed a comprehensive board structure to guarantee the smooth operation of its governance body.

**100%**  
of the actions  
were completed

**2**  
**SHAREHOLDERS**

**6**  
**BOARD OF DIRECTORS**  
{incl. 2 independent}

**3 BOARD**  
**COMMITTEES**

- Audit and EHSS Committee
- Nomination & Remuneration Committee
- Finance and Risk Committee

**12**  
**GROUP EXECUTIVE**  
**MANAGERS**

**DAY-TO-DAY**  
**OPERATIONS**  
**IN +20 opCOs**

### BOARD FUNCTIONING

- At least **4 board meetings** annually;
- At least **2 meetings** per committee annually;
- At least **1 female director**;
- At least **2 independent directors**;
- All committees have a governing approved charter;
- Board meetings are convened in advance and agenda items and board packs are shared **at least 10 days in advance**;
- All board minutes are signed and shared;
- Independent internal auditor function carrying specific compliance missions as appointed by the board.



Emerging markets still show a significantly lower share of women in boardroom roles. Having more women on boards means a greater diversity of skills, experiences, opinions, and strategies – which means better governance. And better governance inevitably means better results. I am pleased to be part of iENG’s journey, supporting more inclusive decision-making and a stronger, more resilient organization.

**Anu Sing, Independent Board Member, iENG**

## B Our Impact Approach

At its core, our impact approach is dictated by our contributions to SDG 5, 8, and 13 through which more sustainable outcomes are created. **Our impact agenda is aligned with the priorities of BluePeak as well as the broader global development agenda and the Fund's investor base, amplifying the impact that will be made.**

### ***How is impact defined and what are our impact objectives?***

We use the UN's 2030 Agenda and its 17 Sustainable Development Goals to help us define positive impact. We have identified three pillars of impact that address these broad challenges and align with the UN's overarching agenda.

We aim to invest in companies that support our core impact objectives around:



**5 GENDER EQUALITY**



**GOAL:** Inclusivity

**IMPACT OBJECTIVE:** Maximise economic participation for women and reduce inequalities, including by providing access to high-quality, affordable goods and services.

### ***What do we strive for?***

At BluePeak, we are convinced that gender equality in our team and portfolio companies' teams is a driver of improved performance, through better representation of the communities we serve. We have managed to drive gender equality by working closely with management teams to build inclusive workplaces.

## **2X**Challenge

In March 2022, we decided to go a step further and to mark our intentionality on equality, and signed up for the **2X Challenge initiative**, qualifying our inaugural fund as a **2X Challenge fund** and progressively implementing the following:

- **Committing to SDG 5** as one of our core SDGs and setting gender-related targets for all our portfolio companies.
- Upgrading our **Human Resources** ("HR") policies to go beyond what's legally required.
- Implementing **Sexual Exploitation and Abuse and Harassment** ("SEAH") and **Equal Opportunity Employer** ("EOE") policies.
- Addressing gender-based violence in our environmental and social **due diligence assessment**.
- Developing and employing a **gender-lens** investing approach that takes into consideration gender-based factors across the investment process to advance gender equality and **better inform investment decisions**.



## 8 DECENT WORK AND ECONOMIC GROWTH



**GOAL:** Resilience

### IMPACT OBJECTIVE:

Enable new & growing businesses to flourish, supporting them to embrace digital innovation, strengthen local manufacturing capacity, and improve job quality – driving an increase of productivity for the African economy.

### ***What do we strive for?***

Through our partnerships, we aim to foster resilience and drive economic growth across the continent. Our approach to resilience is driven by the potential to invest across a variety of industries, which promote fundamental qualities to build sustainable and inclusive growth.

## 13 CLIMATE ACTION



**GOAL:** Climate Action

### IMPACT OBJECTIVE:

Invest in innovative and scalable solutions that directly reduce greenhouse gas emissions, while promoting responsible consumption and production methods.

### ***What do we strive for?***

Climate forms an integral part of our impact strategy, and we are working on strengthening our policies and reporting procedures to better assess physical and transition risks while supporting the portfolio companies in identifying opportunities to reduce their CO<sup>2</sup> intensity during the life of the investment.

Please see Section 7 for more details on our climate ambition.

### ***How do we identify opportunities for impact?***

BluePeak assesses the potential impact of each potential investment based on the five dimensions of impact, and subsequently expected impacts are identified and quantified from screening to monitoring. We define clear and measurable KPIs based on the findings of impact-focused due diligence. Company-specific KPIs are set through generally approved and bespoke KPIs that meet the industry company specifics and growth strategy. We believe that this approach ensures full commitment from the portfolio companies and a clear path to

implementation.

### ***How do we monitor company progress in achieving impact?***

Company self-disclosure is a crucial part of our approach to impact investing. Therefore, we heavily rely on engagement with companies and our conversations with their respective ESG & Impact, and management teams.

*Section 5 summarizes the impact that our portfolio companies have had this year.*

# 4

## Our Sustainability Outcomes



The diversity of our portfolio and the unwavering commitment of our portfolio companies to driving impact is creating a multidimensional effect that goes beyond the broader impact agenda around advancing gender and supporting decent work. This diversification allows us to achieve profound and far-reaching positive outcomes.

**Fulton Shiundu, Director**



### Inclusivity



**32%** of female employment on average

>8% more **female employment**

**38%** of females in **leadership positions**

**2X Challenge**

**90%** of the portfolio is aligned with **at least one of the 2X criteria** in addition to the **basic 2X ESG safeguards**

**65%**

of the portfolio companies have **at least one female on the board of directors**





## Resilience



### Quality Jobs

8,555

Full-time equivalent employees

An increase of **15%**

54% of which are Africans

50% youth employment as a percentage of total employment

### Financial Inclusion



+ 265,000

Bikes financed

Providing a monthly income of **US\$ 900<sup>2</sup>** on average and impacting over **1 million** people



>13,000 corporate, SME, and retail clients

**+ 7,000** clients benefit from digital payment services

### Logistics



+ 500,000

of bulk cargo tons transported

> **21,000** sqm of warehousing space

35 delivery centres reached in **9** countries

### Healthcare



35 million

Units of affordable malaria drugs provided to

**2.5 million<sup>3</sup>** patients across **10** countries

120 million units of chronic disease medicines provided

**23** diseases/conditions addressed

### Connectivity

31,200

Towers maintained

**+ 729** newly constructed towers

1,034 upgraded towers



## Climate change



### Resource Efficiency



7% reduction in GHG emissions

**12%** reduction in water consumption

10% reduction in electricity consumption

**224** additional sites/cells equipped with hybrid power solutions

### Electric & Clean Mobility



> **1,000**

electric bikes financed

**2,637.5 tons** of CO<sub>2</sub> avoided

<sup>2</sup> Based on a recent survey conducted by the company.  
<sup>3</sup> Assuming that two pills are taken per day for seven consecutive days.



# 5

## Case Studies





# Case Study 1

## Catalyzing the growth of light industrials in Africa



## Case Study 1: Catalyzing the growth of light industrials in Africa.



The seismic shifts in the real estate landscape, catalyzed by the pandemic, have sparked new investment opportunities, particularly in Africa. As traditional sectors like retail and commercial offices experience slower growth than before, sophisticated investors are seizing the upside presented by emerging, more resilient asset classes such as healthcare, data centres, logistics, and office space.

Additionally, the increasing emphasis on reducing carbon emissions positions light industrials as an attractive choice, given its relatively lower requirements for high-temperature heat and fossil fuel feedstock.

### Company Overview

Grit is a leading, London-listed commercial real estate solutions platform, providing investors with exposure to direct property investment and associated real estate services across the African continent.

Grit's high-quality, international standard assets are underpinned by long-term leases with a wide range of tenants across a diverse range of sectors including corporate offices, retail shopping centers, hospitality assets, logistics and distribution warehouses, data centers, healthcare assets, business process outsourcing centres, and corporate and consular accommodation.

Recognizing the transformative potential of the industry and as one of the largest, most diversified real estate investors on the continent, Grit has evolved its investment strategy to align with these transformative trends and unlock value for its stakeholders.



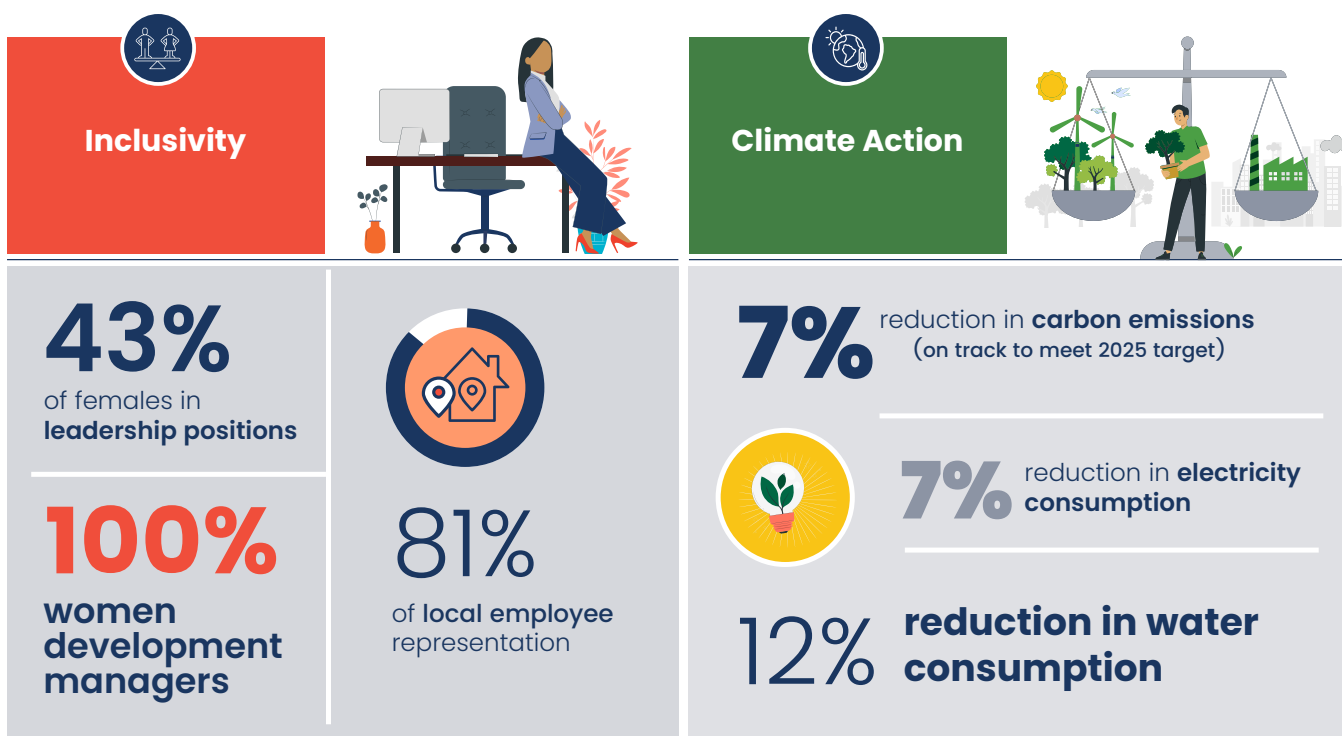
## Case Study 1: Catalyzing the growth of light industrials in Africa.



### Investment Intentionality

Our investment in Grit is accelerating the scale and transformation of light industrials in Africa while partnering with an experienced management team with the ambition of driving impact beyond buildings.

### Investment Additionality



### Fostering gender equality

Co-founded by Bronwyn Knight in 2014, Grit made history as the first female African-led business to be listed on the London Stock Exchange. In a traditionally male-dominated industry, Bronwyn has made gender equality a core mission of the company, championing it successfully over the years.

Grit, through its steadfast commitment to gender equality, has demonstrated remarkable progress within its organizational structure. With c. 48% of its workforce comprised of women, Grit fosters an inclusive environment that values diverse perspectives and talents. This commitment extends to the boardroom, where c. 33% of board positions are held by women, reflecting a concerted effort to ensure gender parity at the highest levels of decision-making.

This commitment is supported by the various policies in place including amongst others, (i) **an Equal Pay Policy**, (ii) **a Gender Diversity Policy**, and (iii) **training programs specifically benefiting women to advance in their career path.**

### Improving livelihoods through local employment

With 157 employees, c. 81% of whom are locals, Grit not only fosters job creation but also prioritizes the integration of community members into its workforce in its different operation areas. The addition of 58 new jobs in 2023 further underscores Grit's dedication to growing local economies and enhancing stakeholder livelihoods. Grit actively contributes to economic development and empowerment within the communities, where it operates through its several **Corporate & Social Responsibility** ("CSR") programs.

## Case Study 1: Catalyzing the growth of light industrials in Africa.



### Reducing environmental impact

Grit is making significant strides towards its environmental targets, aiming for a 25% reduction in group carbon emissions and a 25% improvement in building efficiency by 2025. By 2023, Grit had already achieved a significant 7% reduction in carbon emissions and a 10% enhancement in building efficiency by actively working on minimizing its environmental footprint.

**The company developed and implemented robust carbon and energy management plans, and is focusing on the following areas for continuous improvement:**



#### Employee engagement and education

Continue with sustainability training programs for employees to raise awareness and foster a culture of environmental responsibility.



#### Continuous data monitoring and analysis

Implement advanced data analytics and monitoring systems to track resource consumption, energy efficiency, and environmental impact. Use data-driven insights to make informed decisions and fine-tune strategies for maximum effectiveness.



#### Innovation and research

Continue to allocate resources to research of innovative technologies and solutions that align with Grit's sustainability goals.

Looking ahead, Grit aims to further reduce its carbon footprint by integrating renewable energy sources, promoting sustainable commuting options, and transitioning to a low-carbon economy. Detailed reporting and analysis processes, including diesel consumption tracking and carbon footprint assessments, underpin Grit's commitment to environmental stewardship and its contribution to global emission reduction efforts.

### E&S Value Add

BluePeak has influenced the way Grit approaches E&S risks to ensure that those risks are effectively managed and mitigated. Our collaboration with Grit's team has driven significant change and compliance with the highest industry standards.

Grit successfully completed all action items **within 18 months** of investment.



We were delighted to partner with BluePeak, whose expertise has helped us significantly enhance our E&S framework, bolstering our existing policies and ensuring more effective management and mitigation of environmental and social risks.

**Shevira Bissessor**, Head of ESG – Grit Real Estate Income Group





# Case Study 2

## **Bridging africa's digital divide by enabling greener communication**



Case Study 2: Bridging africa’s digital divide by enabling greener communication.



Impact Themes

**Inclusivity**  
5 GENDER EQUALITY

**Resilience**  
8 DECENT WORK AND ECONOMIC GROWTH

**Climate Action**  
13 CLIMATE ACTION

**iENG**  
Investment size **US\$ 20 million**  
Investment date **April 2022**

**Highlights**

Geographical footprint

**22** countries

**31,200** O&M sites

**8,413** towers delivered

**Achievements**

ISO 9001

ISO 14001

ISO 45001

ISO 22301

Ecovadis (Silver I)

Africa has the world’s lowest connectivity rate but the highest growth in access to the internet in recent years. However, much of the investment is concentrated in urban areas, which creates significant opportunities to boost connectivity in rural communities.

**63%** Global average internet penetration

**36%** Internet penetration in Africa

Fewer than 30% of the population has access to broadband services. This low access is limiting internet penetration to an average rate of just 36% in Africa, significantly lower than the global average of 63%.

Compounding the connectivity challenge is Africa’s substantial energy gap. The rapid expansion of tower networks is outpacing the growth of grid connections, underscoring the urgent need for sustainable energy solutions. **Energy Service Company** (“ESCO”) projects are scaling swiftly to address Africa’s burgeoning energy demands, driving sustainability and efficiency across the continent.



## Case Study 2: Bridging africa's digital divide by enabling greener communication.



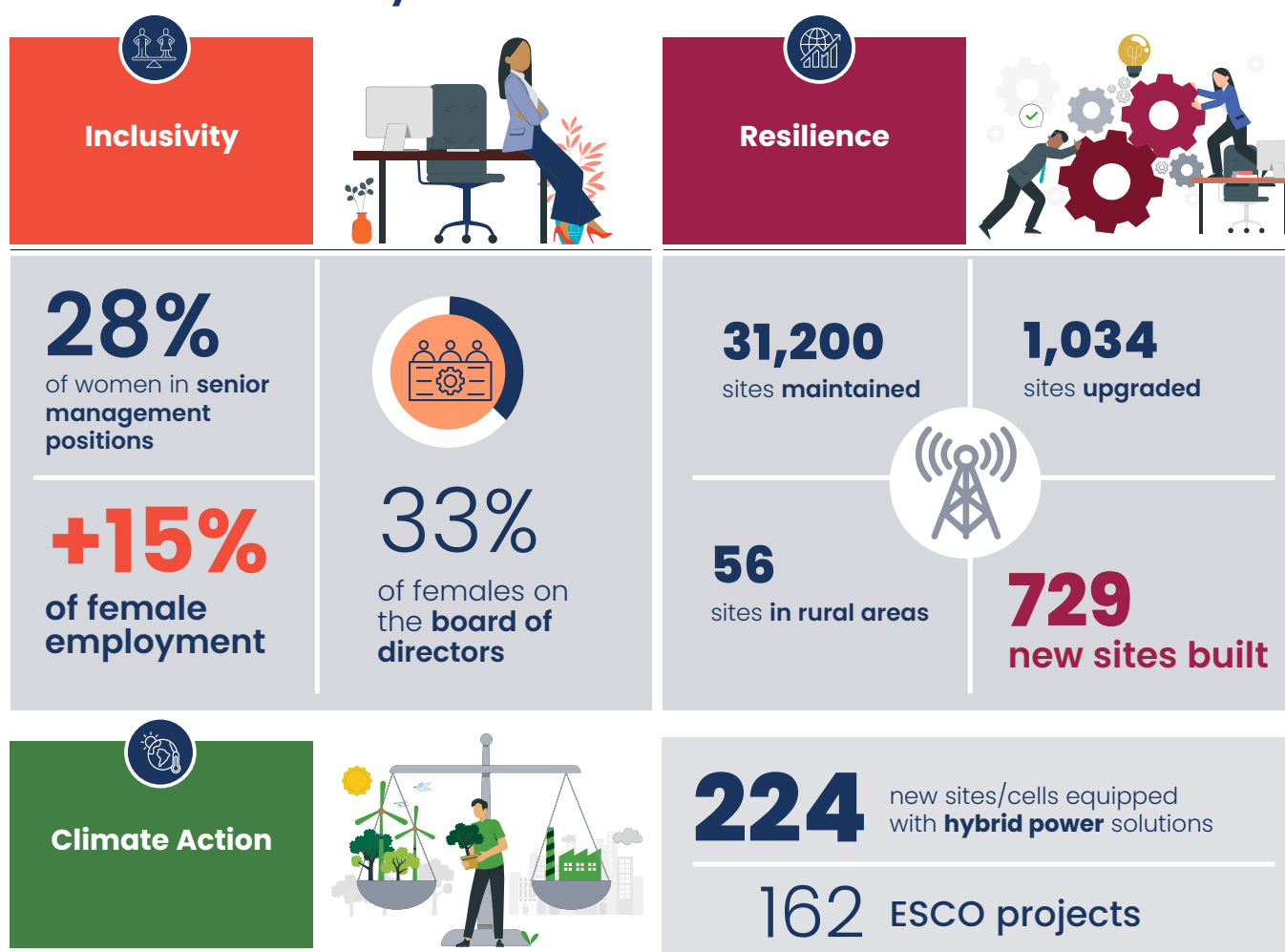
### Company Overview

iENG specializes in infrastructure engineering, O&M services, and hybrid power solutions to the telecom sector and has become a prominent provider to Blue-chip clients in Africa, Asia, and the Middle East.

### Investment Intentionality

Our investment supports iENG's geographic expansion strategy across Africa by providing catalytic capital for the expansion of towers across Africa, with a specific focus on rural areas to amplify the impact. Additionally, iENG's increasing focus on ESCO projects reinforces its commitment to enabling greener communication and fully aligns with BluePeak's sustainability focus.

### Investment Additionality



### Fostering gender equality

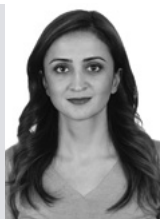
With BluePeak's support, iENG focused on strengthening its existing commitment to gender equality. A snapshot of the achievements below:

- Appointment of an additional woman as the board, becoming aligned with criteria **2B** of the **2X Challenge**.
- Extended the recruitment period to receive the maximum applications from both male and female candidates.

## Case Study 2: Bridging africa's digital divide by enabling greener communication.



- Code of conduct: updated to include policies on (i) **diversity and inclusion** and (ii) **gender-based violence and sexual harassment**.
- Extended maternity leaves that go beyond local regulations.
- **Leadership training:** to encourage women's equal access to managerial positions within the company, iENG offered training to its female employees in the form of workshops around **Women in Business Leadership**.



**Ola Haddad** – Chief HR Officer

Ola joined the company 14 years ago as a consultant to develop procedures and was quickly retained as the Group Quality Manager thanks to her commitment and eagerness to learn. She later took on HR management in addition to Quality Management, transforming both into advanced departments: Quality into QHSE and HR into People Operations.

Ola now serves as Group CHRO and is a member of the company's management committee.



**Loan Apretna** – Chief Strategy & Transformation Officer

Loan joined iENG as a Group Strategic Project Manager in 2018. Her initiatives and ideas led to the creation of the Business Operations and Strategy department in 2020, where she was promoted to Group Business Operations and Strategy Head.

Loan spearheaded several key projects, including the roll-out of the Accounting Shared Services department and the company's digitization program. After achieving multiple milestones, Loan was promoted to Chief Strategy & Transformation Officer in September 2023.

Loan is a member of the company's management committee.

## Enabling greener communication

In collaboration with sister companies CREI and GreenPole, iENG works closely with Mobile Network Operators ("MNOs") to enhance their network infrastructure and provide seamless connectivity. CREI works in partnership with several MNOs to support them in achieving their net-zero targets. For instance, CREI is the trusted ESCO partner for MTN South Sudan to reach net-zero emissions by 2040, reduce fuel consumption by up to 70%, have a renewable energy ratio of 50–60%, and save 20 tons of CO<sub>2</sub> emissions each year. In 2023, more than 160 ESCO projects were completed.

## E&S Value Add

iENG has effective systems in place to manage EHS risks. In May 2024, iENG was awarded the **Gold Medal from Ecovadis**, which is a level up from its former rating. This incredible milestone ranks the company in the **top 2%** of businesses worldwide in the telecom industry.

With BluePeak's support, the company bolstered procedures by (i) developing an **integrated E&S management system**, including operational and contractor management procedures, (ii) updating existing policies to include **child and forced labor, gender-based violence, and grievance mechanisms**, and (iii) implementing **biodiversity risk management procedures**. In addition, several initiatives have been launched which progressively decreased the number of road traffic incidents.





# Case Study 3

## Accelerating Africa's self-reliance and boosting access to affordable medicines



Case Study 3: Accelerating africa’s self-reliance and boosting access to affordable medicines.



Impact Themes

Inclusivity

5 GENDER EQUALITY

Resilience

8 DECENT WORK AND ECONOMIC GROWTH

Africure Pharmaceuticals

Investment size

US\$ 8 million

Investment date

May 2022

Highlights

Geographical footprint

10 countries

>200 products registered

5 manufacturing facilities

Achievements

ISO 14001

ISO 45001

WHO GMP license

In sub-Saharan Africa, **70 to 90% of pharmaceuticals are imported**, which places communities at significant risk of drug shortages. According to the WHO, about half of the region’s **1.5 billion people lack regular access to essential medicines**. The continent hosts 375 drug producers, primarily in North Africa and a few sub-Saharan countries, a stark contrast to Europe, which has five times more producers despite having half the population size. This pharmaceutical shortfall is particularly critical given that **Africa endures 95% of global malaria cases and 98% of malaria deaths annually**. Additionally, the growing prevalence of chronic diseases is leading to severe health outcomes that could be mitigated with timely diagnosis and treatment.

### Company Overview

Africure is a manufacturer and distributor of essential generic pharmaceutical products (e.g., paracetamol, basic antibiotics, anti-malaria drugs). The company operates throughout Sub-Saharan Africa with several manufacturing and distribution plants across 10 countries and is ambitious to serve more communities across the continent.

### Investment Intentionality

Our investment supports the growth ambitions of Africure to boost local medication production. This investment aims to enhance Africa’s pharmaceutical resilience and move towards a more self-sufficient future.

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Case Study 3: Accelerating africa's self-reliance and boosting access to affordable medicines.



## Investment Additionality



### Advancing women in the workplace

In 2023, the company made significant strides in enhancing women's employability across various functions, increasing the proportion of female employees from 35% to 40% since the pre-investment period. This achievement aligns Africure with **Direct Criteria 3** of the **2X Challenge**, complementing its existing compliance with Direct Criteria 4. **Africure meets Direct Criteria 4 by producing essential products for women during pregnancy**, such as folic acid and iron supplements.

### Fostering productive employment

The company employs a total of 520 people across its 10 locations, with a strong emphasis on local representation. Approximately 66% of its workforce is comprised of local employees, significantly boosting regional employment.

### E&S Value Add

The partnership with BluePeak has influenced the way Africure approaches E&S risks to ensure that those risks are effectively managed and mitigated. In 2023, we focused with the company on developing group-wide policies and procedures for implementation at each country level in addition to building internal capacity by appointing a manager with designated E&S responsibilities. Moreover, our team worked closely with Africure to develop a waste management plan and assess its carbon footprint.

### Boosting access to affordable drugs through local manufacturing

The company served approximately 2.5 million<sup>4</sup> patients by providing affordable malaria drugs in a region that accounts for 95% of malaria cases and 96% of malaria deaths. Additionally, Africure doubled its production of medicines for non-communicable diseases, delivering 120 million units of essential drugs across over 10 countries, where chronic diseases are responsible for more than 60% of deaths among children and young adults. Thanks to local production capabilities, patients can purchase these essential drugs at half the price of imported drugs on average.

Starting next year, Africure's newest and fifth manufacturing facility in Ethiopia will significantly boost local production, adding 442 million tablets, 200 million capsules, and 7 million bottles of syrups annually. This expansion will reinforce Africure's position as a leading producer of generic drugs in Sub-Saharan Africa.

<sup>4</sup> Assuming that two pills are taken per day for seven consecutive days.



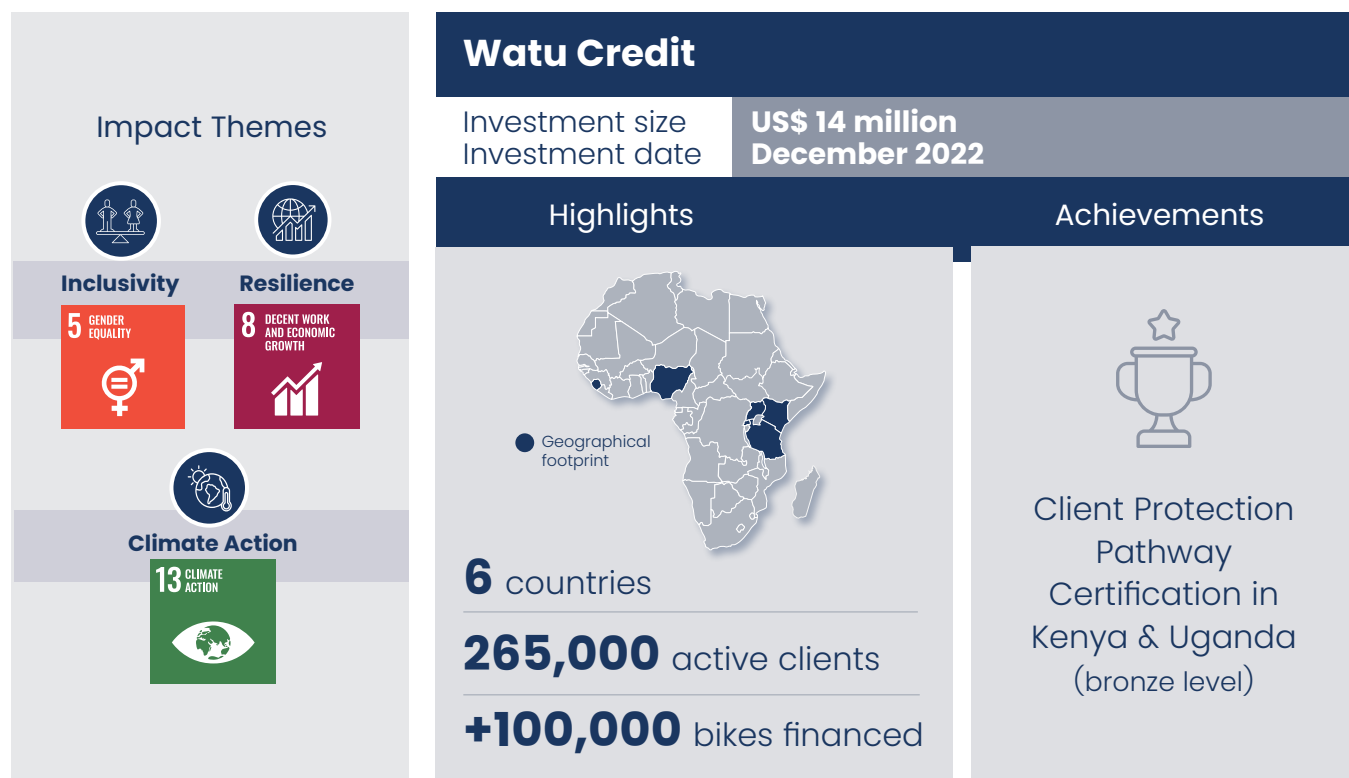
# Case Study 4

**Leading the transition to clean mobility while fostering financial inclusion in East Africa**





## Case Study 4: Leading the transition to clean mobility while fostering financial inclusion in East Africa.



Financial exclusion in Africa remains a significant barrier to sustainable development. Over 350 million financially excluded adults in Africa live cash to cash without the security of a financial account, credit cards, or lending facilities. The lack of affordable financing options often prevents Africans from accessing essential financial services and cleaner, more efficient transportation, thereby perpetuating cycles of poverty and economic disparity. According to the World Economic Forum, approximately 500 million people in sub-Saharan Africa do not have proof of legal identity, further hindering their ability to access financial services. This exclusion particularly affects women, youth, and rural populations, exacerbating existing inequalities and hindering overall economic growth.

### Company Overview

Watu is an asset financing company revolutionizing financial inclusion across Africa. The company is building an ecosystem for unbanked and underserved individuals by providing access to mobility and connectivity tools that enhance digital literacy, economic growth, quality of life, and opportunity. Watu provides loans to entrepreneurs to acquire two and three-wheelers and, more recently, smartphones. So far, Watu has provided over **1.5 million loans across 6 countries** and has positively impacted the lives of more than **6 million people**. Within just a few hours, Watu's customers can receive their vehicles, helping them to generate an income. The financed assets have become a crucial source of employment, particularly for young people and those with limited job opportunities. In addition, Watu actively promotes financial literacy and independence, as well as increased regulatory and safety compliance.

### Investment Intentionality

Our investment supports Watu's growth ambition to expand its footprint in East Africa while accelerating the path to clean mobility through the roll-out of its Electric Bikes strategy.

## Case Study 4: Leading the transition to clean mobility while fostering financial inclusion in East Africa.



### Fostering gender equality

We supported Watu in strengthening its commitment to gender equality and advancing female employees in the workplace.

#### Watu successfully achieved the following:

- The appointment of a female independent board member.
- Female employees constitute c. **40%** of the workforce, aligning with the direct **criteria 3 of the 2X challenge**.
- Women hold **50%** of managerial positions, highlighting Watu's commitment to advancing gender equality and promoting women in leadership positions.

### Empowering entrepreneurs

Over half of Africans are estimated to be outside the formal financial ecosystem. While digital banking options improve access to finance, those outside the framework miss out on economic opportunities. Watu has over

265,000 active mobility clients with a total number of over 100,000 disbursed mobility loans.

- In 2023, c. **77%** of Watu's clients were from rural areas. By increasing the proportion of rural to urban customers, Watu has enabled many who might otherwise be excluded from traditional financial services to access essential transportation and communication tools.
- These income-generating assets provide **a monthly income of US\$ 900** on average<sup>5</sup>.
- Through its different business lines, Watu has so far created more than **735,000 indirect jobs** in Kenya, Tanzania, and Uganda, directly contributing to SDG 8, and highlighting the critical role of financing in supporting individuals in underserved communities.

<sup>5</sup> Based on a recent survey conducted by GeoPoll (Mobile Accord Limited), an independent mobile survey platform.



Case Study 4: Leading the transition to clean mobility while fostering financial inclusion in East Africa. **watu**

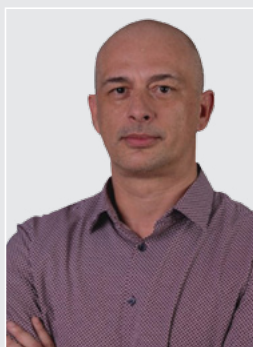
## Paving the way for clean & electric mobility

More than 1,000 Electric Bikes were financed in 2023 through its joint venture (JV) partner **GOGO**, a manufacturer of Electric Bikes and batteries, up from nearly 100 bikes in 2022. Watu plans to finance **5,000 Electric Bikes** in 2024 while growing its network of already-established 83 swapping stations in Uganda.

## E&S Value Add

In 2023, Watu made significant strides in reinforcing its ESG capacity, aiming to integrate sustainability into every aspect of its operations. The cornerstone of this effort was the development and implementation of an ESMS. This system enables the company to assess and monitor ESG risks more effectively and respond better to stakeholders' requests.

Watu has also fostered a culture of reporting, encouraging staff to report even minor incidents. The E&S Manager actively monitors significant incidents, conducts follow-up with riders involved, and ensures they receive necessary support.



With the support of our partner BluePeak, we were able to foster our commitment to sustainability and establish a dedicated E&S function. BluePeak's guidance and resources have been instrumental in integrating E&S considerations into our core operations, enabling us to drive sustainable growth and create positive impacts in the communities we serve.

**Agris Varpins, Group Finance Director – Watu Credit**

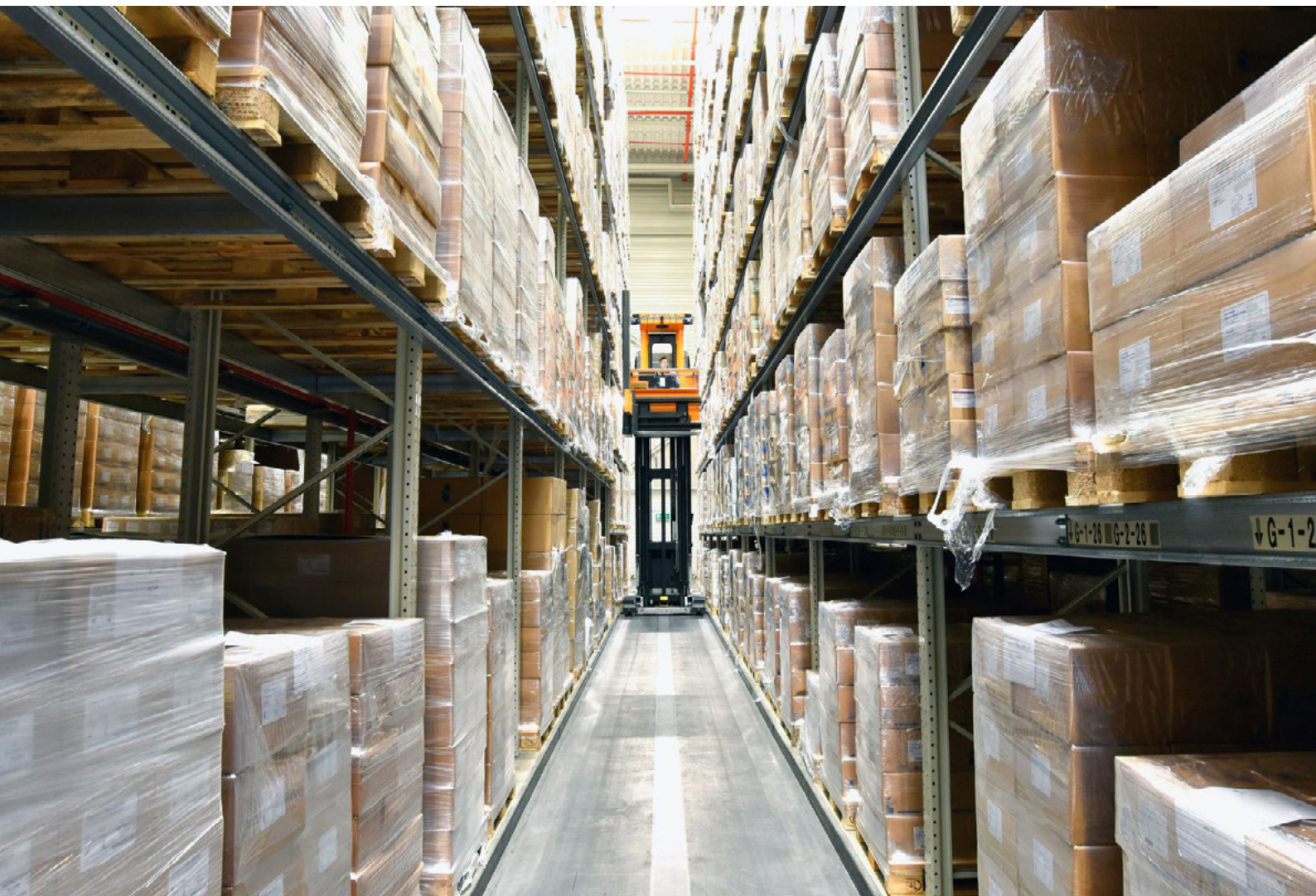
## Spotlight

Watu Kenya and Watu Uganda have received the bronze level achievement in client protection from the Microfinanza Rating (MFR) Certification Committee. This remarkable achievement signifies that Watu has met all the required standards for adequate client protection. With only a few financial institutions in Africa achieving this certification, Watu stands out as a pioneer in the mobility asset financing sector, not just in Africa but globally.



# Case Study 5

**Increasing access to high-quality logistics services while lowering associated emissions**





**Case Study 5:** Increasing access to high-quality logistics services while lowering associated emissions.



<p>Impact Themes</p> <div> <p><b>Resilience</b></p> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div> <p><b>Climate Action</b></p> <p>13 CLIMATE ACTION</p> </div>	<p><b>Prime Logistics</b></p>	
	<p>Investment size</p> <p>Investment date</p>	<p><b>US\$ 15 million</b></p> <p><b>August 2023</b></p>
	<p><b>Highlights</b></p> <div> <p>Geographical footprint</p> <p><b>9</b> countries of destination</p> <p><b>+500</b> fleet</p> <p><b>2</b> warehouses</p> </div>	<p><b>Achievements</b></p> <div> <p>ISO 9001</p> <p>ISO 14001</p> <p>ISO 18001</p> <p>UKAS Management System 0005</p> </div>

Inconsistent or inadequate logistics have long hindered intra-African trade. Countries face high custom delay periods, shortages of paved roads upon which freight can be transported, and a higher loss of goods due to limited cold chains compared to other regions globally.

According to the World Economic Forum, intra-African freight demand is expected to increase by c. 28% by 2030, translating to additional demand for transportation, logistics, and warehousing capabilities. This projected growth is driven by the African Continental Free Trade Area (“AfCFTA”) agreement that is coming into force and which introduces frictionless trade between its African signatories; transforming the continent into the largest free-trade area in the world by the number of member states.

## Company Overview

Prime Logistics is an integrated logistics company that offers an end-to-end solution to customers, including warehousing and terminals, import and export clearance services, sea and air freight, and last-mile transportation services in East & Central Africa and the Middle East.

## Investment Intentionality

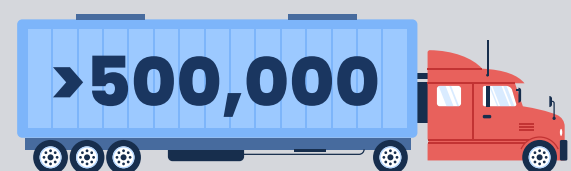
Our investment supports Prime Logistics’ ambition to become an integrated logistics business providing customers with a seamless one-stop-shop solution for their logistics needs in East & Central Africa and the Middle East.

**Case Study 5:** Increasing access to high-quality logistics services while lowering associated emissions.

PRIME LOGISTICS

## Investment Additionality

The investment contributes to the sustainable expansion of the company's operations in Africa, by increasing access to high-quality logistics services while lowering associated emissions and boosting regional connectivity.



tons of bulk transported  
yearly across **9 countries**

**35** delivery centres

**>21,000**

square meters of warehousing space

### Providing efficient transportation and logistics services

Prime Logistics is a leading logistics provider in East and Central Africa, leveraging a strong track record and robust relationships with multinationals. The company annually transports over **500,000 tons** of bulk cargo across **nine countries**, utilizing a fleet of more than 500 trucks. With over **21,000 square meters** of warehousing space strategically located between East Africa and Dubai, Prime Logistics ensures efficient storage and distribution, enhancing regional connectivity and supply chain efficiency.

Operating **35 delivery centres** throughout its network, Prime Logistics significantly extends its reach and accessibility, facilitating seamless connectivity across its destinations. This extensive network not only drives economic growth in the region but also improves trade dynamics and logistical efficiencies.

### Lowering carbon emissions

The company has a significant carbon footprint and a few actions have been initiated towards reducing its GHG emissions. Prime Logistics utilizes AdBlue, an exhaust fluid liquid added to diesel trucks that reduces the harmful emissions they can create. AdBlue is predominantly used in Europe due to more stringent regulations, but the company is one of the few companies using it in Africa whilst not being a requirement and is costly. This initiative clearly demonstrates the company's hands-on approach when it comes to operating at high levels of health and safety standards.

In addition, Prime Logistics also started working on establishing a baseline of its GHG emissions, and BluePeak will be actively working with the company to develop a resource efficiency plan.




# Case Study 6

## Fostering financial inclusion in Francophone West Africa



## Case Study 6: Fostering financial inclusion in francophone West Africa.

Teyliom finance 

<b>Impact Themes</b>   <b>Inclusivity</b> <b>5</b> GENDER EQUALITY    <b>Resilience</b> <b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>Teyliom Finance</b> Investment size <b>US\$ 20 million</b> Investment date <b>October 2023</b>	
	<b>Highlights</b>  Geographical footprint <b>15</b> branches Operating Subsidiaries    	<b>Achievements</b>  

Financial inclusion remains a significant challenge in Francophone West Africa, where a substantial portion of the population is unbanked and grapples with the resulting hardships. In countries such as Senegal, and Côte d'Ivoire, traditional banking services are often inaccessible due to a combination of factors, including widespread poverty, limited infrastructure, and a lack of financial literacy. According to the World Bank, only about 35% of adults in Sub-Saharan Africa have a bank account, with figures often lower in Francophone West African countries. For instance, in Côte d'Ivoire and Senegal, only 40% and 20% respectively of adults have access to formal financial services. As a result, many people rely on informal financial systems, which are often insecure and unreliable.

### Company Overview

Teyliom Finance is an established and diversified financial services holding company, offering a comprehensive range of financial services across Côte d'Ivoire and Senegal. With a strong presence in these markets, Teyliom Finance delivers a suite of services including banking services, brokerage, microfinance, and asset management.

### Achievements

In 2023, Bridge Bank Group, the main subsidiary of Teyliom Finance, was recognized as **the Best Corporate Bank in 2023 in Côte d'Ivoire**.

### Investment Intentionality

Our investment in Teyliom Finance supports its growth ambition to expand into new African countries and foster financial inclusion in the West African region. SwedFund joined forces with BluePeak and co-invested US\$ 5 million which made a total invested amount equal to US\$ 25 million.

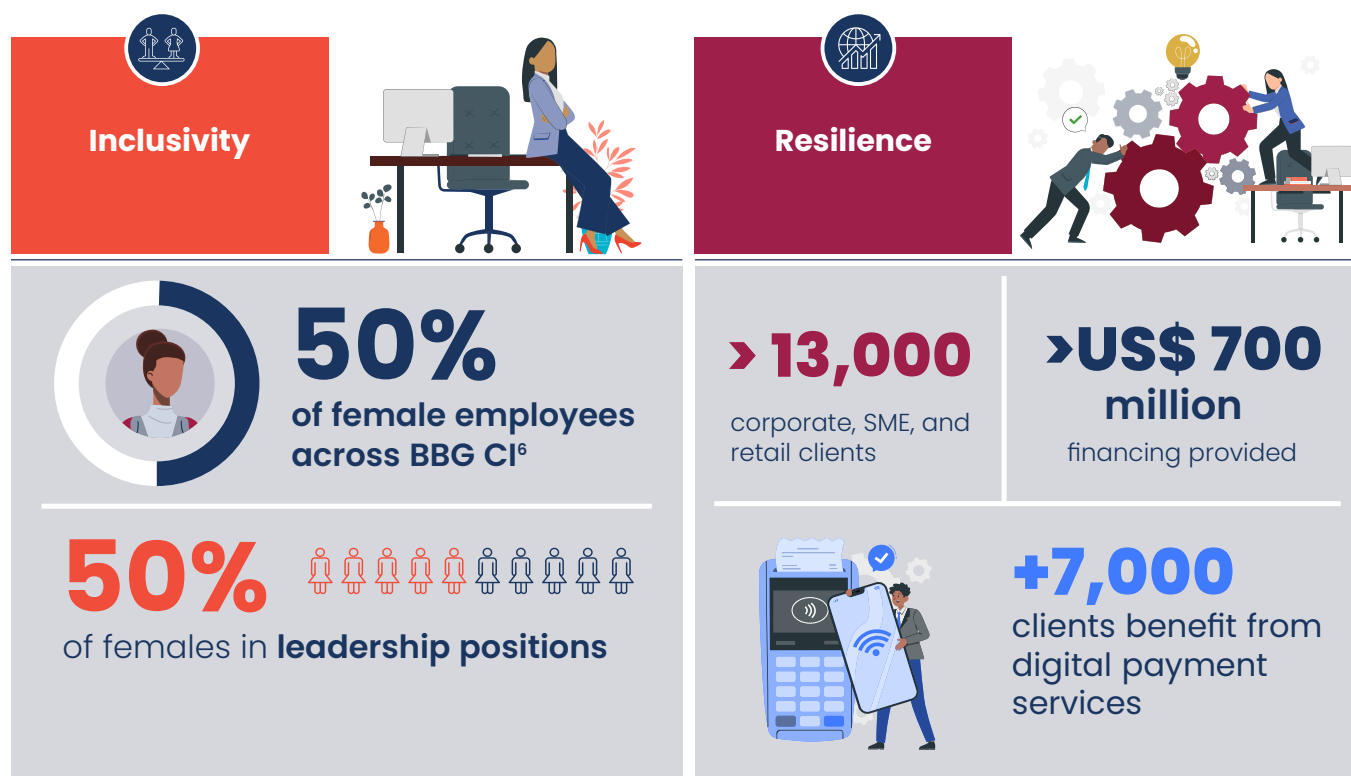


## Case Study 6: Fostering financial inclusion in francophone West Africa.



### Investment Additionality

Our co-investment with SwedFund in Teyliom Finance underscores a strong commitment to achieving key SDGs. This investment aims to alleviate poverty in Francophone West Africa by creating economic opportunities, fostering job creation and sustainable economic development with over 260 professionals employed in Côte d'Ivoire and Senegal and promoting gender equality with women holding 50% of leadership positions and comprising half of the workforce.



### Advancing Gender Equality

With BluePeak's support, Teyliom Finance has focused on strengthening its existing commitment to gender equality. **A snapshot of the achievements below:**

- BBG CI exceeds the minimum threshold of **Direct Criteria 3 "Employment,"** with 50% of employees being female.
- The company meets **Direct Criteria 2A,** with around 38% of senior management positions held by women.

### Fostering Financial Inclusion in Francophone West Africa

Teyliom Finance is committed to broadening financial inclusion and enhancing access

to financial services across its operational regions.

The company's services are provided through 15 branches across Côte d'Ivoire and Senegal, maximizing client reach and facilitating financial inclusion. The implementation of digital services has benefited over 7,000 clients, making financial offerings more accessible and efficient. As of 2023, the total amount of disbursements stood at **US\$ 754 million.**

Teyliom Finance has a strong focus on **supporting female entrepreneurs,** with female-owned businesses benefitting from 52% of loans allocated to SMEs. This commitment helps empower women and foster economic growth in the region.

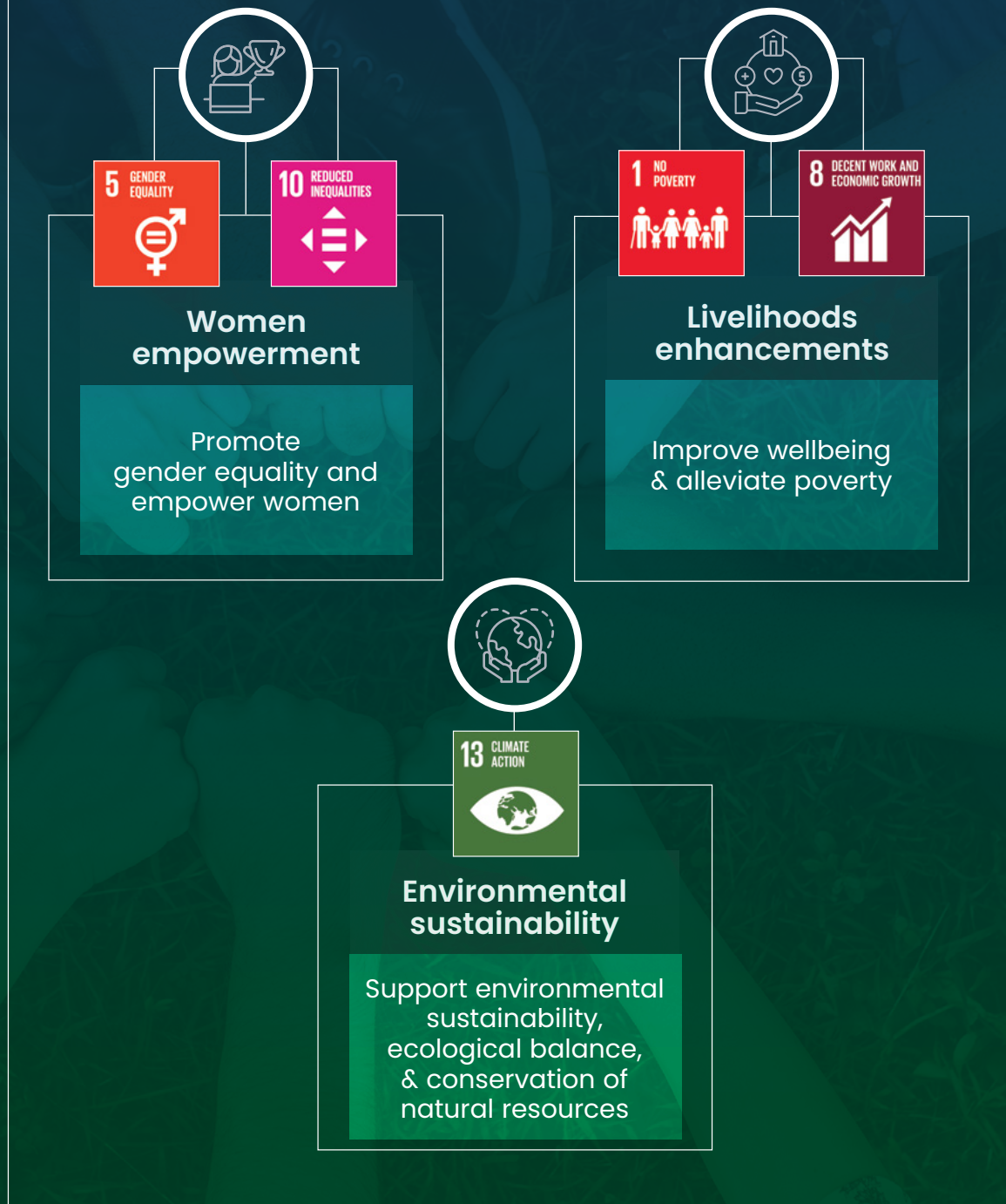


# 6

## Our CSR Initiative



## OUR 3 FOCUS AREAS

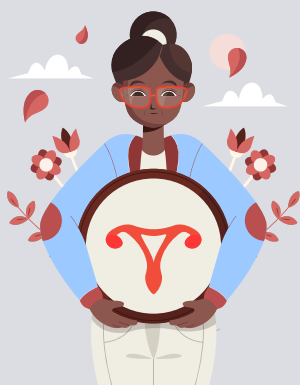






In June 2023, we committed to our first CSR initiative by **providing support to Africare**, an initiative championed by **Sango Capital**, that addresses various healthcare challenges to enhance access to medical services across Africa.

**Cervical cancer is the most common cause of death among women in 21 of the 48 countries across the region.**



Our funding is supporting Africare's develop and implement an expanded cervical cancer screening and management **across Ghana**.

Sub-Saharan Africa has the highest rates of cervical cancer in the world, largely attributed to low cervical cancer screening coverage. Cervical cancer is the most common cause of death among women in 21 of the 48 countries across the region.

Considering that Sub-Saharan Africa carries the highest burden of cervical cancer, ways to increase accessibility and use of preventive services are urgently required. According to **WHO**, preliminary mitigations through an early screening that detects pre-cancer and early cancer lesions via colposcopy and ablative procedures can significantly help in reducing death rates.

**1,040**

women benefited from screening

**5** new screening and treatment rooms equipped with

**modern equipment for the diagnosis and management of cervical cancer**

**13**

mid-wives and nurses have been trained **to screen and counsel patients**

**6**

screening sites in **rural health centers** across Northern Ghana



7

Looking Ahead



This year, we aim to further intensify our focus on climate risk mitigation and the identification of opportunities to reduce our carbon footprint, recognizing the critical importance of these efforts within the African context. **Africa is particularly vulnerable to the impacts of climate change, which can exacerbate existing economic and social challenges.**

By prioritizing climate risk management within our operations and portfolio, we are not only safeguarding our investments but also contributing to the resilience and sustainability of local communities.



Identifying and leveraging opportunities for green innovation and sustainable practices will help us drive positive change, support economic development, and ensure a more secure and prosperous future for the continent.

## In 2024

we aim to focus on the following areas:



**1**

**Integrate climate risk assessment as part of the scope of our Environmental & Social due diligence.**

In addition to our existing screening tool, this will help us better **assess the physical and transition risks associated with our investments** to effectively address these challenges.

**Support the portfolio companies in**

- (i) identifying opportunities for decarbonization and
- (ii) reporting on their scope 1 & 2 emissions through technical assistance programs.

**2**



**3**

As we look ahead to 2024, we anticipate **collecting a more robust dataset** that will provide a comprehensive estimation of our operational and financed emissions to cover our scope 1, 2, and 3 emissions with a focus on

- (i) business travel and
- (ii) portfolio-associated emissions.

**Develop a climate policy and strategy** that will reflect our commitments to a lower carbon economy.

**4**









# INQUIRIES



For all inquiries, please contact:

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**BluePeak Private Capital Fund SCSp**  
2023 Sustainability Report

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