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# ENVIRONMENTAL & SOCIAL POLICY

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# Introduction

Good stewardship of the environment in which we live and operate is integral to BluePeak’s corporate values and purpose. BluePeak believes that environmental, social and governance factors (ESG factors) not only contribute positively to investment performance but they help to build a more stable, sustainable, and inclusive global economy.

Care for the environment and the communities within which we work is key to the way in which BluePeak does business.

BluePeak has developed its Environmental Social Management System (ESMS) and associated procedures to encourage and support employees to implement this policy, and to enable our investment companies to do the same.

Managing E&S risk is an integral part of BluePeak’s sustainability credentials and our risk management framework is designed to ensure we apply a suitable level of due diligence to each transaction, and management throughout the period of investment.



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# 1. BluePeak's E&S Principles

We consider that our activities should manage our environmental & social footprint and contribute positively to global environmental and social well-being as reflected in the UN Sustainable Development Goals (SDGs).

We will aim to ensure that all potential investments are reviewed and evaluated against the Fund's policy commitments including the following E&S requirements:

- Fund's Exclusion list which is the European Development Financing Institutions' (EDFI) Exclusion List
- IFC Performance Standards 2012 stated on IFC's website ([www.ifc.org](http://www.ifc.org))
- Applicable national and international laws, regulations and conventions on environment, labour, health, safety and social issues and any standards established therein
- World Bank's General EHS Guideline as well as the known to be relevant sector specific EHS

And the:

- International Labour Organization's (ILO) Fundamental Conventions
- United Nations Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights.

## 2. Scope of the E&S Policy

The E&S policy will cover:

- Incorporating E&S Risk considerations into all financing activities.
- Excluding financing of clients whose business activities do not meet BluePeak's E&S Principles.
- Committing to improving the overall E&S performance of BluePeak's portfolio through enhanced risk management.
- Complying with all relevant environmental legislations, regulations and approved codes of practice in the countries where BluePeak operates.
- Regularly measuring greenhouse gas emissions arising from its operational activities and setting targets to minimise emissions as much as possible.
- Financing companies who seek to maximise environmental and social benefits.
- Taking into account the environmental and social impacts of portfolio companies' operations in line with the relevant IFC Performance Standards, World Bank Group EHS Guidelines, and national laws.
- Actively engaging with investee companies, through dialog with the board, management team, employees, customers and other stakeholders on E&S risks and opportunities, as well as other matters.

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- Making best efforts to ensure that investee companies are operated in compliance with the policy commitments on an ongoing basis, during the life of the Fund's participation as an investee.
  - Ensuring that the management and the shareholders of the investee companies understand the Fund's E&S policy commitments and align their activities to those commitments as appropriate. Alignment to be achieved through the agreement of an Environmental & Social Action Plan for each investment as appropriate.
  - Reducing the direct E&S impact of BluePeak's operations through the application of the ESMS
  - Reducing the indirect impact of BluePeak's commercial activities on the environment as laid out in our E&S Principles
  - Committing to improving internal E&S capacity and training relevant BluePeak staff on their roles in implementing this policy (i.e. the identification and management of E&S risk). The Fund recognises that additional external E&S expertise may be acquired where necessary.
  - Ensuring transparency in all its activities. Sharing BluePeak's E&S credentials, risk management and performance with Stakeholders on a regular basis.

## 3. Governance

**The responsible Senior Partners for BluePeak's ESG are the in-country Managing Directors.**

- Mr. Walid Cherif, Senior Partner, will be assigned overall E&S responsibility.

The appointed ESMS Co-ordinator will be responsible for updating and implementing this policy and the Managing Directors will be jointly responsible for its approval.

## 4. Review and Reporting

This Policy is part of BluePeak's Environmental and Social Management System (ESMS). It will be reviewed every two years and updated when necessary and immediately upon changes in legislation, emerging and evolving issues, and international best practices where relevant to the investment portfolio and in-house activities.

All updates of this Policy will be shared with all BluePeak employees and all stakeholders via BluePeak's communication channels (intranet, website, etc).

For external stakeholders, we will report annually on our E&S impact across the investment portfolio.

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Our ESG impact will be mapped against key performance indicators that will be unique to each investment but aligned with applicable UN Sustainable Development Goals.

## **5. Exclusion/Prohibited List**

As part of this Policy, Blue Peak has adopted the European Development Finance Institutions' (EDFI) Harmonised Exclusion list. This list is derived from the IFC's list of excluded activities and includes the additional exclusions of pornography and prostitution, cross-border trade in waste and waste products unless compliant with the Basel Convention and the underlying regulations, activities associated with the destruction of High Conservation value areas; racist or anti-democratic media.

**This policy has entered into force on 1<sup>st</sup> June 2020.**