

**BluePeak Private Capital Fund SCSp**  
**Sustainability-Related Disclosures**

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a) **Summary**

In accordance with Article 8 of the Regulation EU 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “**SFDR Regulation**”), **BluePeak Private Capital Fund SCSp** (the “**Fund**”) promotes **Environmental and Social (“E&S”) characteristics** but does not have as its objective a sustainable investment. The Fund is BluePeak’s Capital LLP (“**BluePeak Capital**”) inaugural private capital fund with a domicile in Luxembourg established to address the lack of funding for mid-sized companies across Africa through flexible and tailored financial investment instruments ranging from debt to quasi-equity (such as convertible loans/notes, warrants, senior/subordinated debt, mezzanine, and preferred equity).

The Fund promotes E&S characteristics by targeting investees in compliance with environmental, social and governance (“**ESG**”) practices in the following sectors (the “**Target Sectors**”) - Healthcare, Education, Energy, Consumer Goods, Agribusiness, Manufacturing, Telecoms/Infrastructure and/or Logistics - alongside three main impact areas of focus: Inclusivity, Resilience and Climate Change. Find below additional information on the key impact areas with their corresponding Indicative Key Performance Indicators (“**KPIs**”) and Sustainable Development Goal (“**SDG**”).

Impact Agenda	Inclusivity	Resilience	Climate Change
SDG – Core Contribution	SDG 5: Gender Equality	SDG 8: Decent Work and Economic Growth	SDG 13: Climate Action
SDG – Implicit Contribution	SDG 10: Reduced Inequalities	SDG 1: No poverty SDG 10: Reduced Inequalities	SDG 7: Affordable and clean energy SDG 12: Responsible Consumptions and Production
Thesis	Maximize participation for women and reduce inequalities	Support business to accelerate regional sustainable growth, while upskilling people	Consider climate risk and resilience
Indicative KPIs	N° of female employees in leadership positions N° of females in the board of directors N° of FTE female employees	Total sales in the US\$ N° FTE employees	Reduction in KG of emissions CO

The Fund's portfolio shall have direct exposure to its investees and will be composed by **100%** of companies with a strong focus on ESG. No investment shall knowingly be approved if it is expected or determined to do any significant harm on other ESG factors. The Fund has put in place robust screening, due diligence and monitoring procedures and tools to integrate ESG and impact across the whole investment process based on specific exclusion and eligibility criteria, safeguards, standards, and guidelines in addition to the above-mentioned KPIs and SDGs. Additionally, BluePeak Capital supports its investees by designing a tailored ESG Action Plan in alignment with the International Finance Corporation (“**IFC**”) Sustainability Framework and Good Governance practices to enhance their sustainability characteristics.

b) **No sustainable investment objective**

This financial product promotes environmental and social characteristics but does not have as its objective a sustainable investment.

Sustainable investment as defined per stricto sensu by the Regulation EU 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the “**Taxonomy Regulation**”).

c) **Environmental or social characteristics of the financial product**

In line with Article 8 of the SFDR, the Fund’s portfolio presents environmental and social characteristics. It aims to support mid-sized companies located in Africa with a strong focus on ESG through a set of investment instruments short on capital solutions. E&S characteristics are integrated in the Fund’s key impact areas of support which are defined as follows: Inclusivity, Resilience and Climate Change. Specific information on the three impact areas, investment strategy, and impact approach implemented by the Fund to reach its targeted environmental and social characteristics can be found in the following section and in BluePeak Capital’s Environmental, Social and Governance Policy (the “**ESG Policy**”) available

upon request. The Fund targets investees in compliance with ESG and Impact practices such as the Minimum Safeguards<sup>1</sup> in alignment with the Fund’s Exclusion and Eligibility criteria, as detailed in the ESG Policy.

**d) Investment strategy**

The Fund’s investment strategy for promoting environmental and social characteristics focuses on the three main areas of impact:

1. **Inclusivity** – maximize participation for women and reduce inequalities
2. **Resilience** - support business to accelerate regional sustainable growth, while upskilling people, and
3. **Climate Change** – consider climate risk and resilience.

Regarding Inclusivity, the Fund implements gender smart approaches also known as a gender lens approach throughout its investment process outlined in its Gender Smart Investing Guide available upon request. This guide reflects the integration of the 2X Challenge criteria<sup>2</sup> within the Fund’s investment strategy.

In addition to the above key impact areas, the Fund aims to also actively deploy capital to sectors which directly uplift the quality of life for millions of people (e.g. healthcare, pharmaceuticals etc.) to promote well-being. The Fund integrates impact across the whole investment process whereby the Investment Team, the E&S Officer and the Investor Engagement team at BluePeak Capital are all involved in the different steps. In particular, the investment process follows the stages outlined by the following table where due diligence is performed in accordance with the baseline of status for each impact theme (Inclusivity, Resilience, and Climate Change).

Stage	Actions	
	Impact	ESG / Sustainability
<b>Screening/ Preliminary IC</b>	<ul style="list-style-type: none"> <li>○ Understand the company’s operations, industry, growth strategy etc.</li> <li>○ Identify relevant SDGs to target and applicable KPIs from IRIS+ (impact measurement and management system created by the Global Impact Investing Network) or Harmonized Indicators for Private Sector Operations (“HIPSO”). Bespoke KPIs can be developed when needed</li> <li>○ Include selected SDGs and KPIs in the investment memorandum</li> <li>○ Present the findings to the investment committee (“IC”) members</li> </ul>	<ul style="list-style-type: none"> <li>○ Screening of the company against the European Development Finance Institution Exclusion List (“EDFI Exclusion List”) and Fossil Fuel Policy of the UK government development bank (“CDC”) and confirm compliance with the Fund’s Environmental and Social Management System (“ESMS”)</li> <li>○ Screening of the company based on the Minimum Safeguards</li> <li>○ Preliminary assessment of the company’s ESG risk categorization and applicable performance standards based on IFC’s sustainability framework</li> <li>○ Plan due diligence (“DD”) process and allocate resources</li> </ul>
<b>Due Diligence</b>	<ul style="list-style-type: none"> <li>○ Detailed Impact Assessment</li> <li>○ Impact, targets and KPIs are discussed/negotiated and agreed with the company management</li> <li>○ Based on the results of the impact focused due diligence, an Impact Data Tracking Dashboard (“IDTD”) will be prepared for each investment and forms the baseline from which progress is monitored against the expected impact outcomes</li> </ul>	<ul style="list-style-type: none"> <li>○ Perform desk review and conduct an E&amp;S DD</li> <li>○ Conduct a corporate governance DD and prepare action plan</li> <li>○ Targets and KPIs are discussed/negotiated and agreed with the company management and tracked through the IDTD system</li> <li>○ Conduct site visits</li> <li>○ Prepare Environmental &amp; Social Due Diligence (“ESDD”) report and Environmental and Social Action Plan (“ESAP”)</li> <li>○ Prepare Corporate Governance Action Plan (“CGAP”)</li> </ul>

<sup>1</sup> Minimum Safeguards include the following: OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, International Bill of Human Rights and the Declaration of International Labor Organization on Fundamental Principles and Rights at Work.

<sup>2</sup> The 2X Challenge is a collaborative initiative designed to support investors integrate gender-focused criteria within its investment strategy.

<b>Approval IC</b>	<ul style="list-style-type: none"> <li>o The IDTD is integrated in the final IC documentation and presented to the IC members</li> </ul>	<ul style="list-style-type: none"> <li>o Present summary of findings for the IC to ensure an informed investment decision that takes ESG factors and risks into account</li> </ul>
<b>Closing</b>	<ul style="list-style-type: none"> <li>o An Impact Action Plan (“IAP”) is included in the legal documentation</li> </ul>	<ul style="list-style-type: none"> <li>o The ESAP and CGAP are included in the legal documentation</li> </ul>
<b>Monitoring and Reporting</b>	<ul style="list-style-type: none"> <li>o BluePeak Capital will monitor the progress against the KPIs established before closing the transaction</li> <li>o The IAP will be monitored on an annual basis and BluePeak Capital will generate an annual Impact Report</li> <li>o A separate annual impact disclosure report will be issued as required by the Operating Principles of Impact Management (“OPIM”)</li> </ul>	<ul style="list-style-type: none"> <li>o BluePeak Capital will monitor the progress against the ESAP and CGAP</li> <li>o Both action plans and KPIs will be monitored on a quarterly basis and BluePeak Capital will generate an annual ESG Report for stakeholders</li> <li>o A separate annual disclosure report will be issued as required by the Principles of Responsible Investment (“PRI”)</li> </ul>
<b>Exit</b>	<ul style="list-style-type: none"> <li>o Investee Impact Assessment at maturity of investment</li> </ul>	<ul style="list-style-type: none"> <li>o Investee Sustainability Assessment at maturity of investment</li> </ul>

For an investment to enter the Preliminary IC stage, it must pass the Fund Exclusion List including the EDFI Exclusion List and CDC’s Fossil Fuel Policy. Several sustainability and impact standards/frameworks are implemented by the Fund such as the International Finance Corporation’s Performance Standards, applicable national and international laws related to ESG factors, World Bank’s General Environmental, Health and Safety Guidelines and any relevant associated Industry Sector Guidelines, and SFDR’s Minimum Safeguards.

Further information on the standards implemented and investee ESG requirements (including good governance practices) can be found in the ESG Policy outlining the guidelines carried out by the Investment Team at BluePeak Capital applied to all investments made. In parallel to the ESG Policy, the ESMS presents a framework further outlining the ESG risk management into the business processes of Blue Peak Capital. The ESMS is available to investors of the Fund upon request. As the ESG Policy is fully integrated in the ESMS, it will be reviewed every two years and updated when necessary, depending on changes on legislations and standards. All updates on the ESG Policy and ESMS will be shared via BluePeak Capital’s communication channels (intranet, website etc.).

**e) Proportion of investments**

The Fund does not intend to make any sustainable investments per stricto sensu of the Taxonomy Regulation; nonetheless, it promotes E&S characteristics. More information about the environmental and social characteristics as well as the asset allocation of the Fund is available in Annex 8 for pre-contractual product disclosures. The portfolio shall have direct exposure to its investees and will be composed by **100%** of companies with a strong focus on ESG. No investment shall knowingly be approved if it is expected or determined to do any significant harm on other ESG factors.

**f) Monitoring of environmental or social characteristics**

The indicators selected to measure the attainment of the E&S characteristics are monitored by BluePeak Private Capital GP (the “**Fund Manager**”) on an annual basis through a proprietary impact tool, the Impact Data Tracking System (“**IDTS**”). The IDTS enables to track positive impact generated by the Fund’s investments and its investee companies on the communities where those investee companies operate. It defines clear measurable KPIs in line with the SDGs with respect to the three impact areas of focus: Inclusivity, Resilience and Climate Change. Depending on the sector the Fund invests in, additional specific KPIs may be monitored by the system either in line with HIPSO, IRIS+ or developed by the Investment Team.

Additional information on the methodology implemented to identify KPIs can be found in the following sections. Further information on the monitoring practices is outlined in Section 6 of the ESMS.

**g) Methodologies**

As outlined in the previous sections, BluePeak Capital aims to ensure that all portfolio activities are positively contributing to global environment and social well-being in alignment with the SDGs. In this line of thought, all potential investments identified by the Fund are reviewed and evaluated against the Fund’s policy commitment including the following ESG standards and frameworks:

- o Fund’s Exclusion List – EDFI Exclusion List, CDC Fossil Fuel Policy
- o SFDR Minimum Safeguards
- o IFC Performance Standards
- o Good Governance practices
- o ESFI Risk Categorization
- o Applicable national and international laws, regulations and conventions on environment, labour, health, safety and social issues and any standards established herein
- o Impact Management Project
- o World Bank EHS Guidelines and any relevant industry Sector Guidelines
- o Operating Principles of Impact Management.

In depth ESG investee requirements are further outlined in the ESG Policy and in Section 5 of the ESMS.

**h) Data sources and processing**

Based on the sector the Fund invests in, BluePeak Capital will be assessing other key impact themes through bespoke KPIs. Company specific KPIs will be set through generally approved KPIs and BluePeak Capital-developed company specific KPIs when needed. The Investment Team will use KPIs from the following order of priority and relevance:

- i. HIPS0
- ii. IRIS+ and
- iii. Bespoke KPIs developed by the Investment Team.

The indicators selected to measure the attainment of each of the environmental and social characteristics promoted by the Fund are monitored by the Fund Manager through a proprietary impact tool, the IDTS. The IDTS enables to track positive impact generated by the Fund’s investments and its investee companies on the communities where those investee companies operate. It defines clear measurable KPIs in line with the SDGs with respect to the three impact areas of focus: Inclusivity, Resilience and Climate Change. Find below a table with indicative KPIs specific to the impact area of focus and Target Sector.

Impact Agenda	Inclusivity	Resilience	Climate Change
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**i) Limitations to methodologies and data**

To the extent possible, the Fund will look to set KPIs that are generally approved by the impact community and aligned with impact frameworks. However, in the absence of a harmonized impact framework, and to illustrate the impact investments are having on the communities where companies operate, BluePeak Capital will define specific KPIs that might lack harmonization with HIPSO or IRIS+. Such limitations do not affect the environmental or social characteristics promoted by the Fund as ESG factors will always be aligned and harmonized with IFC's sustainability framework and the Fund's ESG Policy & ESMS.

**j) Due diligence**

Before diving deeper into an impact assessment of the underlying company targeted by the Fund, BluePeak Capital screens all contemplated portfolio companies against the eligibility criteria outlined in the ESMS and assigns a preliminary Environmental & Social (E&S) risk category in line with EDFI's guidelines. In the case where the company passes the screening round and received preliminary approval from the IC, the investment is carried forward to the Due Diligence stage where its E&S risk categorization is further assessed. A detailed overview of the E&S Due Diligence process and relevant tool kits implemented can be found in Annex I of the ESMS. Annex J of the ESMS presents the E&S DD Questionnaire checklist. Several external controls are also implemented. These include outsourcing of medium to high-risk investments to an external consultant with oversight of the Fund's E&S Officer, introduction of an E&S Partner and set-up of an E&S Panel composed of representatives of the Fund's limited partners to whom ESDD and ESAP findings are presented.

**k) Engagement policies**

The Fund Manager works with the portfolio companies to design and implement an ESG action plan in line with IFC Sustainability Framework and Good Governance practices aiming to strengthen their ESG approach. Such Action Plan is closely monitored and is integrated in the legal agreement entered into with each portfolio company. In addition, if any portfolio company breaches any of the reporting requirements or good governance practices, or is involved in a sustainability-related controversy, then a series of remediation measures are put in place to address the breach or the controversy and to bring the portfolio company back into compliance as soon as possible. If no acceptable remediation measure can be implemented, the Fund can ask for the prepayment of the loan granted to the portfolio company. For further information, please refer to the ESG Policy and ESMS.

**l) Designated reference benchmark**

The Fund does not designate an index as reference benchmark at this stage. However, the monitoring and evaluation framework implemented by the Fund, the IDTS, alongside the sustainability frameworks implemented such the IFC Performance Standards and the WB EHS Guidelines, provide a reference to track positive and negative impact as represented by the identified KPIs. When an appropriate index will be available, the Fund will use its monitoring and impact data to transition to an index for benchmarking purposes.