

1. 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)**, its Corporate Governance Scorecard 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.

2. 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 lists which are the **European Development Financing Institutions' (EDFI)** Exclusion List and the fossil fuel policy of **British International Investment PLC** published on 12 December 2020.
- **IFC Performance Standards 2012** stated on IFC's website (www.ifc.org).
- Applicable national and international laws, regulations and conventions on environment, labour, health, safety and social issues and any standards established therein.

- **International Labor Organization (ILO)** Basic Terms and Conditions of Employment meaning:
 - ILO #1: Hours of work;
 - ILO #26, #131: Minimum wage;
 - ILO #155: Occupational Safety and Health.
- **World Bank's General EHS Guideline** as well as any relevant associated Industry Sector Guidelines.
- **African Development Bank Group** Integrated Safeguards System.

And the Minimum Safeguards as defined by the **EU Sustainable Finance Disclosure Regulation "SFDR"**:

- United Nations Guiding Principles on Business and Human Rights.
- International Bill of Human Rights.
- Declaration of International Labor Organization (ILO) on Fundamental Principles and Rights at Work.
- OECD Guidelines for Multinational Enterprises.

3. Scope of the ESG Policy

The ESG policy sets the following requirements and objectives:

- Incorporating **ESG Risk** considerations into all financing activities.
- Excluding financing of clients whose business activities do not meet **BluePeak's ESG 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.
- Complying with **SFDR Minimum Safeguards**.

- 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 ESG risks and opportunities, as well as other matters.
- 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 ESG policy commitments and align their activities to those commitments as appropriate. Alignment to be achieved through the investment agreement signed between BluePeak and the Investee companies where an **Environmental & Social Action Plan (ESAP)** and **Corporate Governance Action Plan (CGAP)** and a set of covenants are described in detail 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 ESG 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 ESG risk). The Fund recognises that additional external ESG expertise may be acquired where necessary.
- Ensuring transparency in all its activities. Sharing BluePeak's ESG credentials, risk management and performance with Stakeholders on a regular basis.

4. Governance

ESG assessment throughout the investment cycle requires the involvement of the investment team, E&S Officer and E&S Partner. In addition, BluePeak has set up an E&S Committee composed of BluePeak E&S team and the E&S Specialists of the Limited Partners of any given fund.

5. 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. 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.

6. Exclusion/Prohibited List

As part of this Policy, BluePeak 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. BluePeak has also adopted the **Fossil Fuel Policy** published by **British International Investment** (December 2020) and the Fund shall make no Investments that fail to satisfy such policy. Screening of investees based on **SFDR Minimum Safeguards** will also take place.