

Unlocking Scale for Africa's most impactful businesses

Sustainability Report 2022

June 2023

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

Contents

01

Foreword from
co-founders

02

2022
achievements

03

About us

05

Our approach
to sustainability

10

Portfolio
case studies

23

BluePeak 2023
objectives

24

Inquiries

Foreword from co-founders

We are delighted to present our first Sustainability Report, where we detail the work of our portfolio companies, offer insights into our approach, and outline our aspirations. As we do so, we will demonstrate the impact generated over the last two years, with this report serving as evidence of our commitment to transparency.

When we established BluePeak in 2019, it was to form part of a solution to fill Africa's funding gap. Difficulty obtaining capital for ambitious businesses has long held back their financial development and positive economic and social impacts. Our approach is driven by the potential to invest across a variety of industries, which promote fundamental qualities to build sustainable and inclusive growth across the continent.

Needless to say, entering the market with investments in critical sectors like pharmaceuticals and telecoms naturally generate impact – we believe that this is not sufficient. In each investment we make, we seek to proactively identify and deliver measurable impacts that are specific to each industry. By establishing rigorous impact and ESG frameworks, our experienced and diverse team ensures that our core focus areas of inclusivity, resilience, and climate action are targeted purposely and decisively in every investment we make. From initial assessment to exit, we keep these ambitions our top priority.

Progressing this journey amidst the effects of the Covid-19 pandemic exacerbated the need for bespoke solutions. Over the years, global economic issues weighed heavily on SMEs and the communities they serve. We believe that businesses can only grow and reach their ambitions by embracing the impact they can and need to make on the communities they serve and operate in. As such, our approach to maximize returns to our investors goes hand in hand with helping the companies we invest in 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 and progress. As you will see throughout this report and specifically in section 5, our portfolio companies have already started to leave a positive footprint on the communities, and they serve – this makes us proud!

Across the continent, we are witnessing the emergence of a sustainability agenda where a resolute private financing landscape acknowledges the resilience of certain African businesses. By building better strategies for growth, these businesses will thrive while lifting their stakeholders' well-being.

To conclude, amidst an unprecedentedly difficult environment precipitated by the pandemic and geopolitical volatilities, we have learned a substantial amount, enabling us to bolster our approach when considering an investment. We are proud of the progress we have made, as we continue to measure the performance of businesses both in terms of economic and financial development and the contribution they are making directly and indirectly to societies and the UN SDGs. As we progress in the future, we look forward to evolving our approach as we deepen relationships with all our stakeholders.



Walid Cherif, Rami Matar & Adam Hadidi
Co-Founders, BluePeak

2022 achievements

We built trust with investors

Whilst attracting investors to invest in emerging markets remained challenging in 2022, our track record and ability to mobilize capital to the African continent allowed us to convince our investors and partners to commit more than USD 140 million for the BluePeak Private Capital Fund (the “Fund”).

We deployed consistently

Our clarity and vision are catalyzing the rapid deployment of conscious capital across diverse industries and demonstrating the range of growth opportunities available in Africa. Since the first closing of the Fund in May 2021, we have invested USD 70 million in 4 pioneering and impactful businesses operating across 25 African countries and supporting over 7,500 jobs.

“As we get close to celebrating the second anniversary of the life of the Fund, our team remains committed to providing flexible and bespoke capital while driving sustainable and inclusive economic growth across the continent.”

– Selma Cherif, Principal, Sustainability & Stakeholders' Engagement

We engaged in a sustainable journey

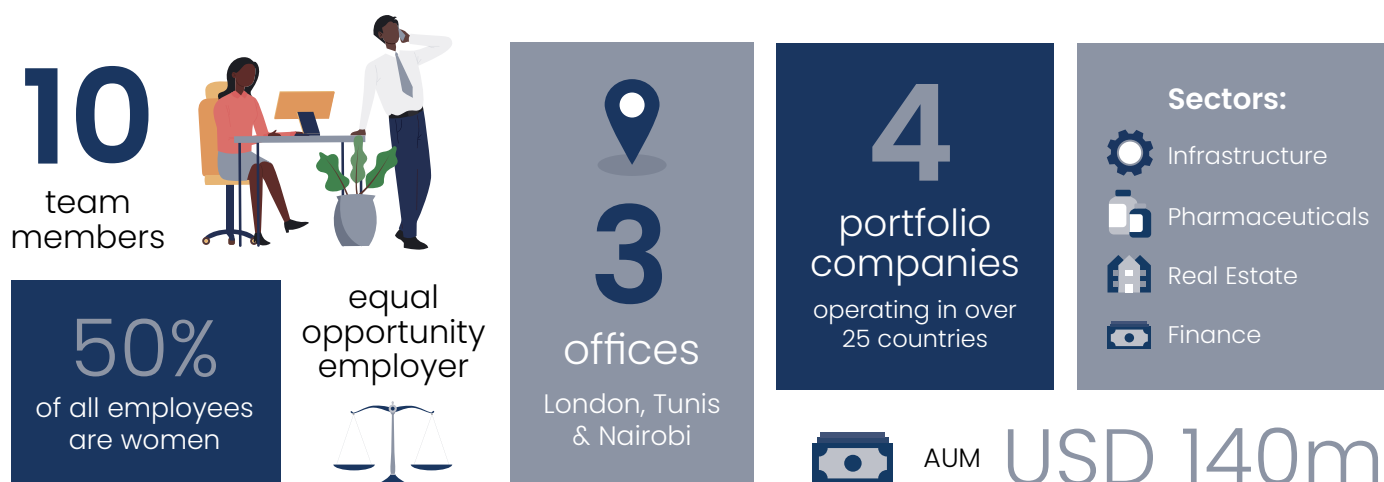
As sustainability continues to climb up investors' agendas, we have made tangible progress with the implementation of our strategy and now have a robust framework enabling us to set and monitor sustainability outcomes across our portfolio. There are vast opportunities to build on our approach to sustainability and enhance our capabilities.

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.

We committed to more transparency

Building on our comprehensive internal structures, we have invited external accountability as signatories to the Principles for Responsible Investment (PRI), Operating Principles for Impact Management (Impact Principles), and by qualifying as a 2X Challenge fund. In addition, we aligned the Fund with Article 8 requirements of the Sustainable Finance Disclosure Regulation (SFDR), committing to more transparency and consistency in disclosing sustainability-related information.

About us



Who we are

BluePeak was established to fill part of Africa's funding gap. We focus exclusively on providing bespoke financing solutions for impactful businesses across the continent. With an estimated funding gap of USD 421 billion for African SMEs, we are primarily seeking to help solve the shortfall that growing companies face in finance while working with our partners to encourage growth, employment, and greater opportunities to balance gender equality.

Our experience

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

"Channeling capital in Africa harnesses the diverse expertise of our team and articulates a cross-sectoral approach while maximizing opportunities for broader impact generation."

– Walid Cherif, Co-founder & Managing Director

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

We act as a long-term partner

Our value proposition extends beyond financial investment, as we work closely with our portfolio companies to drive management improvements, enhance governance, and facilitate the implementation of new strategies that help them diversify their offerings and optimize operations.

We provide flexible and bespoke financing

We believe that our investee 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.

We drive sustainable outcomes

We deeply believe that financial performance and positive impact on the communities go hand in hand. As such, we engage management directly to develop their thinking and further their goals of building a sustainable business while creating long-term impact.

Our portfolio

Investing USD 70 million in less than 2 years captures the importance of private capital as a funding mechanism in Africa. Our financing enables pioneering and growing companies to take their businesses to the next frontier positions for long-term success while delivering risk-adjusted returns to our investors.

“Being in it for the long haul deepens our partnerships with investee companies, and encourages our active, hands-on approach to supporting evolving strategies and growing operations. The commitment to success, emphasized by positive outcomes, entrenches the sustainability and resilience of the businesses and the many benefits they can create.”

– Adam Hadidi, Co-founder & Managing Director



Investment ticket:
US\$ 15.0m

Investment date:
Dec 2021

Company overview:
Leading Pan-African real estate company focused on acquiring and managing real estate assets.

Use of funds:
We contributed to funding Grit's plans to have exposure to industrial assets in new high growth markets.



Investment ticket:
US\$ 15.0m

Investment date:
May 2022

Company overview:
Innovative manufacturer and distributor of essential generic pharmaceutical products.

Use of funds:
We provided flexible and long-term capital to Africure to accelerate product diversification and expansion to new markets.



Investment ticket:
US\$ 20.0m

Investment date:
Apr 2022

Company overview:
Regional provider of passive infrastructure engineering, O&M services, hybrid power solutions to the telecom sector.

Use of funds:
We are supporting iENG in its ambition to expand its geographic footprint and increase access to connectivity and internet in new countries.



Investment ticket:
US\$ 20.0m

Investment date:
Dec 2022

Company overview:
Asset finance institution offering secured lending to finance 2-wheeler and 3-wheeler motorcycles.

Use of funds:
We are partnering with Watu to increase its loan book, hence driving growth and underpinning expansion to new countries.

Our approach to sustainability

Our sustainability strategy is based on a multi-faceted framework, which is focused on investments and performance while engaging with all stakeholders to generate sustainable outcomes. In addition to the Environmental, Social, and Governance framework, we have been building our strategies in impact, gender, and more recently climate.

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

Our focus is on collaborating with African 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.



Our ESG approach

The growing prominence of ESG considerations in investor strategies coupled with new policies such as the European Union's Sustainable Finance Disclosure Regulation (SFDR) is helping cement ESG as a mainstream business concept influencing investment returns and corporate strategy.

At BluePeak, we allocate capital for the deliberate development of positive outcomes; however, we are equally aware that business practices can have unintended negative environmental and social effects. Therefore, we developed our Environmental Social Management System (ESMS), which is embedded across the entire investment lifecycle to anticipate these adverse externalities and respond to them as they arise. As an Article 8 compliant under the SFDR, the Fund fully promotes ESG factors and has a strong ability to monitor and enforce ESG covenants through legal agreements.

We asked Emma Farthing, E&S Officer: What are the next steps for BluePeak in terms of ESG risk management?

"We are committed to reducing our climate impact to play our part in addressing the climate crisis. To push ourselves further and faster we kicked off a six-month climate project with a UK-based consultancy firm specializing in sustainability. The project, financed through SwedFund Technical Assistance program, will help us to establish our Climate Policy and develop a tool to measure the firm's and our portfolio companies' greenhouse gas emissions. While we already cover resource efficiency under PS3 during the E&S due diligence, we are aiming to fully integrate the assessment and identification of climate-related risks and opportunities in the diligence process. Starting from next year we will be able to report on our scope 1-3 emissions."

Standards

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 following:

IFC Sustainability Framework

UN Sustainable Development Goals

European Development Financing Institutions' Exclusion List

British International Investment's fossil fuel policy

Applicable national and international laws

International Labour Organisation's Basic Terms and Conditions of Employment

World Bank's General EHS Guideline

African Development Bank Group's Integrated Safeguards System

EU Sustainable Finance Disclosure Regulations Minimum Safeguards

In addition, as a signatory to the United Nations Principles for Responsible Investment (PRI), BluePeak also applies the six PRI principles across its investment process.

ESG over the investment process

Whilst ESG is led and managed by a dedicated sustainability function, it is a firm-wide responsibility and 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.

ESG factors



Environmental considerations

- Risk management
- Waste management
- Energy management and efficiency
- Land use
- Biodiversity



Social considerations

- Diversity, equity, and inclusion
- Human Rights and modern slavery
- Employee health and safety
- Labor conditions and practices
- Product quality and safety



Governance considerations

- Corporate governance
- Risk management
- Conflicts of interest
- Transparency
- Fraud, anti-bribery, and anti-corruption controls

Investment process

Screening

BluePeak uses an ESG perspective to assess potential portfolio companies during the screening process.

Opportunities are screened against the European Development Finance Institution Exclusion List, SFDR Minimum Safeguards, and BII Fossil Fuel Policy amongst others to confirm compliance with the ESMS.

Preliminary assessment of the company's ESG risk categorization and applicable performance standards based on IFC's sustainability framework.

The team determines the scope of the ESG due diligence to be performed internally or externally depending on the risk categorization.

Due Diligence & Closing

The ESG risks are assessed in detail during the due diligence phase and the findings are presented to the investment committee as part of the investment proposal.

Where compliance cannot be demonstrated, action plans must be agreed to for the investment to proceed.

A target completion date for each specified action must also be agreed upon and covenanted in agreements signed with the prospective portfolio company.

Non-implementation of the action plan is considered a breach and default under the facility agreement.

Monitoring

We maintain a regular dialogue with management for enhanced and ongoing portfolio monitoring.

Ongoing monitoring will focus on regular reporting on action plan completion and compliance with ESG principles and covenants.

We have regular discussions with the portfolio company and strive to act as a partner to ensure timely access to ESG updates, allowing for reasonable corrective action to be implemented where required.

Additional oversight and compliance are driven by: (i) periodic site visits & monitoring reports; and (ii) warranties and covenants that are included in the facility agreement.

Exit

The assessment of residual ESG risks and their mitigation measures are done 6 months before the self-liquidation of our instruments.

Our impact approach

At its core, BluePeak's impact approach is dictated by our contributions to SDG 5, 8, and 13 through which more sustainable outcomes are created. The comprehensive coverage of these ensures an integral role of the private sector in positioning businesses at the forefront of a sustainable development.

Our impact agenda is aligned with the priorities of BluePeak, the boarder general development agenda, and those of our investors, amplifying the impact that will be made.

5 GENDER
EQUALITY



Goal: Inclusivity

Impact objectives:

Maximize economic participation for women and reduce inequalities, including by providing access to high-quality, affordable goods and services.

8 DECENT WORK
AND ECONOMIC
GROWTH



Goal: Resilience

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

13 CLIMATE
ACTION



Goal: Climate Action

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

What do we strive for?

Impact Focus 1: Inclusivity

Africa, like many other regions, still faces significant challenges in achieving gender equality. According to the United Nations Development Program, women in Africa continue to face barriers to accessing education, healthcare and are disproportionately affected by poverty, violence, and discrimination. There has been good progress in recent years, with more women participating in the labor force and taking on leadership roles in both the public and private sectors, however; at the current rate of progress, it would take 140 years to achieve gender parity in Africa, emphasizing the need to accelerate efforts and achieve female economic empowerment.


Impact Focus 2: Resilience

Operating in environments characterized by systemic volatility, successful African businesses developed strategies to be resilient. Supporting these enterprises extends that resilience to the communities they serve as the businesses develop the tools and mechanisms to face rapidly changing environments. Africa's evolving demographic landscape demands the creation of 22 million new jobs annually. The partnerships BluePeak invests in are designed to support SMEs through various economic cycles while ultimately seeking to balance risk and return to achieve sustainable, long-term financial, and impactful success.


Impact Focus 3: Climate Change

Africa is one of the most vulnerable regions in the world to the impacts of climate change, despite contributing only a small fraction of global greenhouse gas emissions. The continent is already experiencing a range of climate-related challenges, including increased frequency and intensity of extreme weather events such as droughts and floods, changing rainfall patterns, and rising sea levels. Significant challenges remain, including limited financial resources, capacity constraints, and the need for greater international cooperation and support.


We ensure that we rigorously align with international best practices, such as the Operating Principles for Impact Management, the Sustainable Development Goals, the 2X Challenge, the IRIS+, and the HIPSO. BluePeak assesses the impact of each potential investment based on the five dimensions of impact.




WHAT
What outcome(s) does the effect relate to, and how important are they to the people (or planet) experiencing it?




HOW MUCH
How significant is the effect that occurs in the time period?



WHO
Who experiences the effect and how underserved are they in relation to the outcome(s)?



CONTRIBUTION
How does the effect compare and contribute to what is likely to occur anyway?



RISK
Which risk factors are material and how likely is the effect different from the expectation?

Expected impacts are identified and quantified from screening to monitoring.

Screening	At the screening stage, the team will look to understand the company's operations to identify relevant SDGs to target in addition to BluePeak's core focus. Applicable KPIs from IRIS+ or HIPSO are identified to ensure consistency with industry-leading frameworks.
Due diligence	<p>A detailed impact assessment is done during the due diligence phase to identify final KPIs and targets.</p> <p>KPIs and targets are discussed and agreed upon with the management of prospective portfolio companies.</p> <p>An impact dashboard is prepared for each investment and forms the baseline from which the progress against the expected impact outcomes.</p> <p>The impact KPIs and targets are integrated into the final investment proposal.</p>
Closing	The pre-agreed impact KPIs and targets are included in the legal documentation and the portfolio company commits to use its best efforts to achieve these targets.
Monitoring	Progress against the core themes listed above is closely monitored and measured on an annual basis.

Commitment to more transparency and consistency

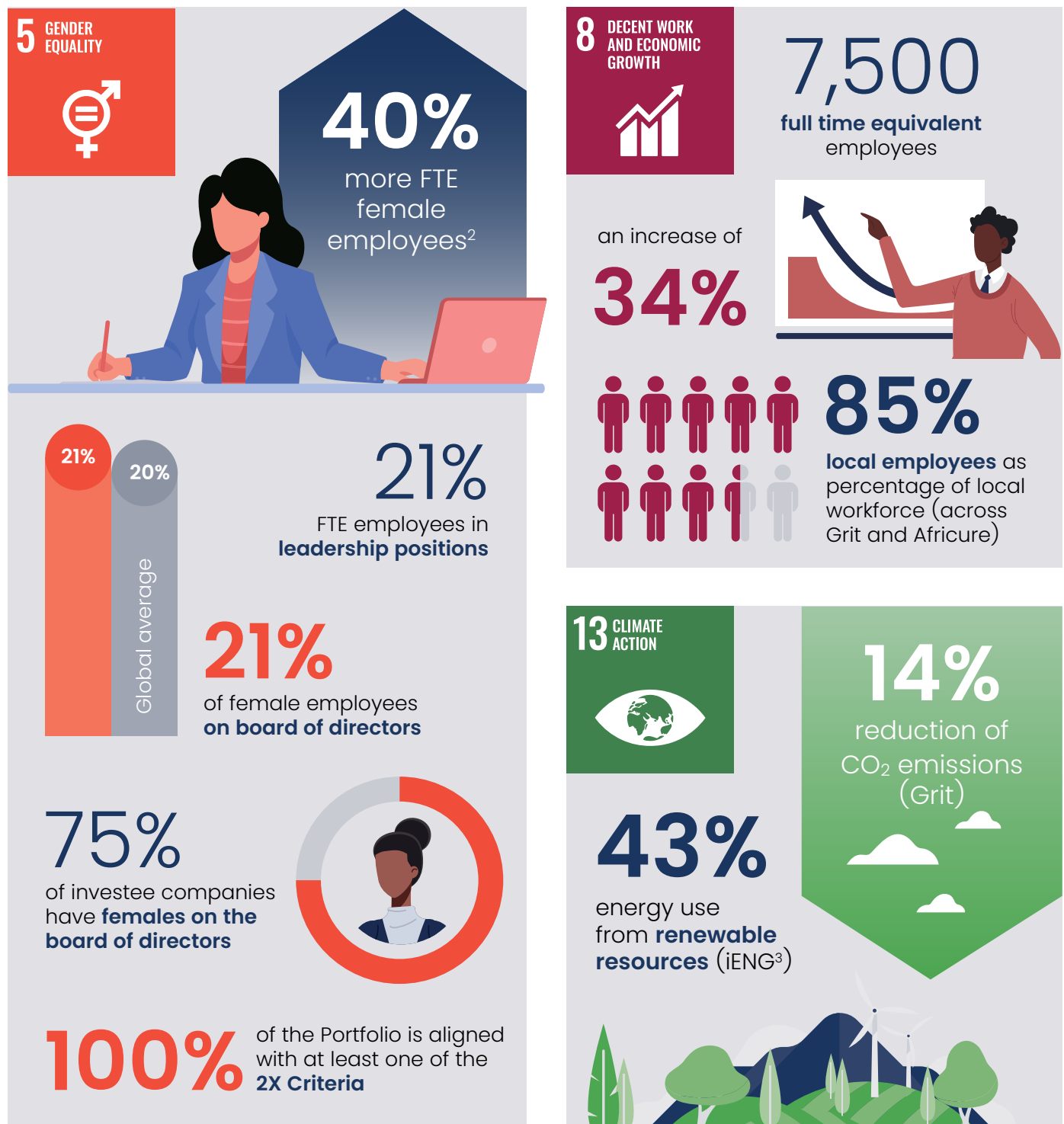
BluePeak is a proud signatory of the Operating Principles for Impact Management, a framework for investors to assist in the design, implementation, and integration of impact considerations throughout the investment lifecycle. It constitutes the nine Impact Principles that we instill from top to tail, across our entire investment process.

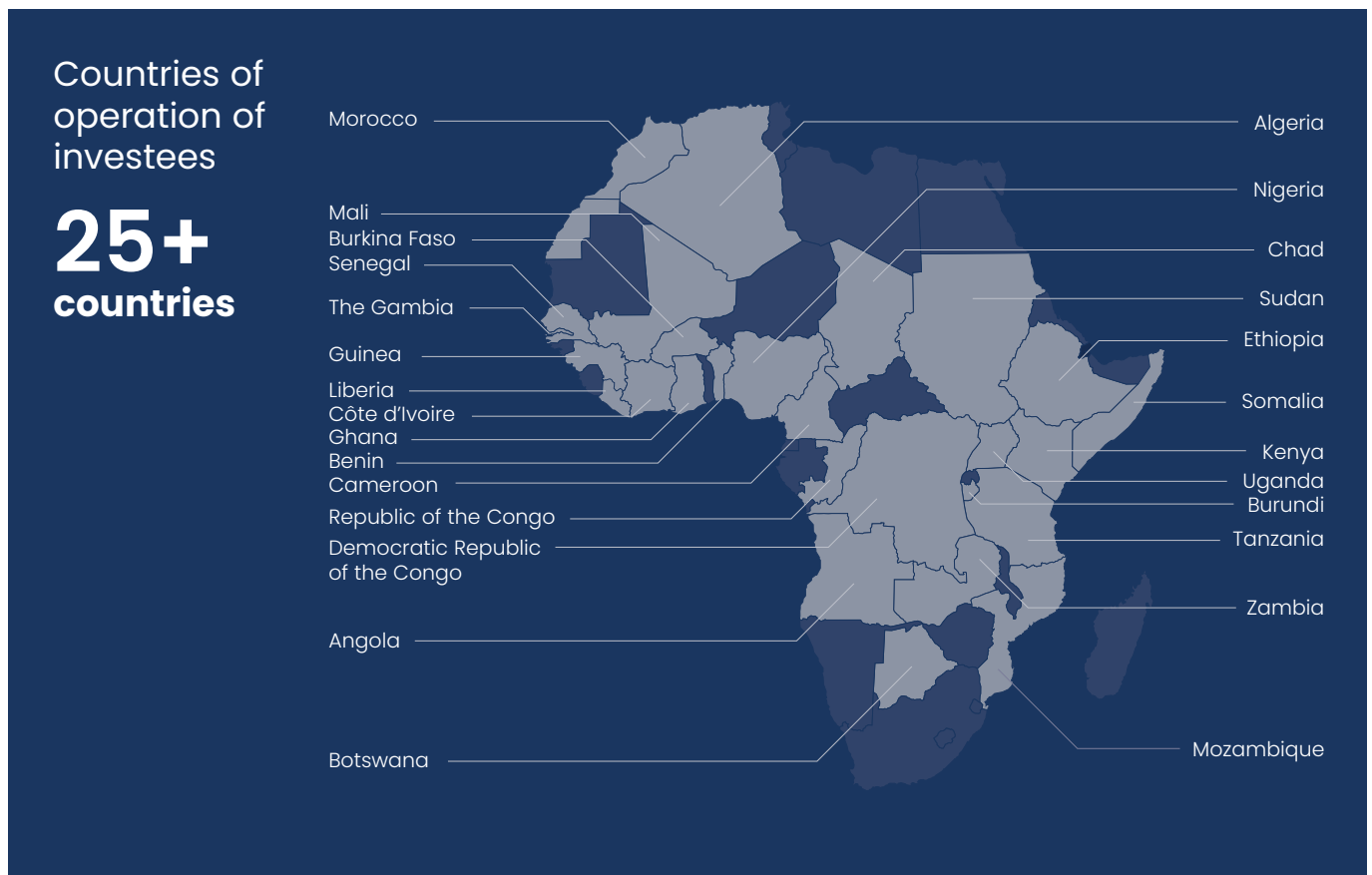
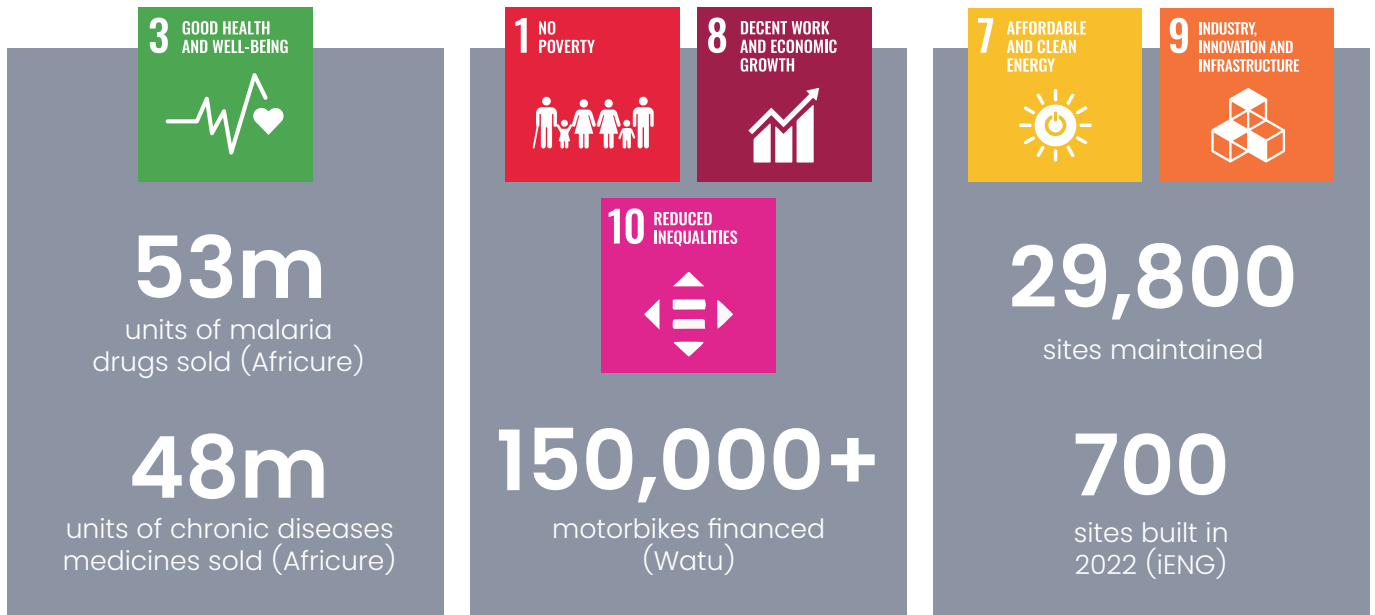
We asked Selma Cherif, Principal, Sustainability & Stakeholders' Engagement: What was the main challenge BluePeak faced in developing its impact approach?

Impact lacks harmonization and consistency when it comes to setting targets and measuring outcomes. As a fund manager, we invest in various sectors in different geographies which makes it difficult to stick to specific SDGs and KPIs. When developing our impact approach, we ensured that our objectives remain consistent with our investment approach and that targets are systematically achievable and realistic. The Operating Principles for Impact Management provided significant guidance for establishing a reliable framework for BluePeak that is aligned with the broader industry impact framework.

Portfolio case studies

Our 2022 impact at a glance





Case study: Grit Real Estate Income Group

How are we supporting a female led company in transforming industrial logistics in Africa?



59
assets



7 asset
classes

12
countries



Company overview

Grit is a leading commercial real estate solutions platform providing property investment and associated real estate services across the African continent. Grit's high-quality, international standards 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, and corporate accommodation.

Grit brings quality standards to Africa and helps develop the industrial and services sectors and is committed to delivering strong and sustainable growth.

Commitment to sustainability

Grit recognizes and understands the importance of establishing and implementing a sustainability strategy throughout its operations. The company has implemented a Sustainability Committee called EcoGrit and composed of 10 staff members from different departments to implement responsible initiatives (e.g. no to plastic, electricity savings, reduction of paper usage, etc.).

Grit continues to make significant progress in reducing its carbon footprint across operations through initiatives of energy efficiency and its reduction of electricity consumption, with a target to achieve a 25% reduction in CO₂ emissions by 2025. In addition to recognizing its leadership role in environmental responsibility for the long term, Grit prides itself on the fact that more than 40% of its leadership positions are filled by women.

The company is an active supporter of communities in need in the countries where it operates through ongoing corporate and social responsibility (CSR) programs.

Our impact

As part of the company's development plan to transform industrial logistics in Africa, in December 2021, the Fund invested USD 15.0 million in Grit. Proceeds from the investment funded the acquisition, refurbishment, and expansion of a warehousing and manufacturing facility for Orbit Products Africa, located in Nairobi.

"BluePeak's partnership with Grit is supporting a female founder to achieve the next stage of her business's development plan, accelerating the scale and transformation of industrial logistics in Africa while creating long-lasting social, economic, and environmental benefits for local communities."

– Rami Matar, Director, BluePeak

600+

jobs supported on the back of the investment

enhanced empowerment

of local employees as a result of internal promotions

100

jobs estimated to be added at the factory and middle-management level

150

temporary jobs will be created during the 18-month construction period of the additional warehouse

Investment Targeted SDGs



Alignment with the 2X Criteria

ENTREPRENEURSHIP

Female founder

EMPLOYMENT

48%
female workforce

LEADERSHIP

Woman CEO

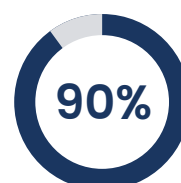
38%
of senior management positions held by women

33%
of the board are women

Spotlight on our ESG value add

Although Grit had already taken steps to minimize its environmental impact, BluePeak identified further measures to strengthen its environmental and social framework. Specifically, BluePeak advised Grit to develop an integrated ESMS by expanding its existing OHS management system and implementing additional procedures to improve external grievance mechanisms and protect biodiversity, among other goals.

Over the last 12 months, Grit made meaningful progress towards completing the action plan ahead of the timeline...



of the items already implemented as of December 2022

Interview with Bronwyn Knight CEO, Grit Real Estate Income Group



In October 2022, Grit secured a sustainability-linked debt financing facility for USD 306 million arranged by Standard Bank. What does this sustainability focus mean for Grit's operations? Could you tell us more about the facility and how it will bolster Grit's commitment to ESG targets?

At USD 306 million, the sustainability-linked term loan and revolving credit facility is the largest real estate sector transaction to date in Sub-Saharan Africa (excluding South Africa).

The refinancing ensures Grit's debt structures have longer tenors and are more efficient, flexible, and optimally priced. Seven existing debt exposures are being consolidated into a single sustainability-linked cross-collateralized facility, streamlining Grit's loan management process, and creating scalable solutions for the future.

From a sustainability point of view, the facility is linked to Grit's carbon emission reduction and gender equality targets over three years, creating financial incentives to transform assets and deliver further high-impact investments. These targets include a 25% reduction in carbon emissions and a 25% improvement in building efficiency by 2025, and to maintain gender equality with more than 40% of women in leadership positions and 65% local employee representation.

The sustainability-linked loan facility testifies to Grit's commitment to deliver real estate that creates smart business solutions and sustainable value for shareholders, whilst also delivering a positive impact on the people of Africa.

What targets has Grit set to achieve gender equality and employee diversity in your workforce?

Grit is a proud leader in gender equality and workplace diversity. As of June 2022, 41% of our female employees are in leadership positions and 77% of total employees are locals, surpassing our respective targets of 40% and 65%. The company has also implemented an equal pay policy.

41% of our female employees are in leadership positions and 77% of total employees are locals, surpassing our respective targets of 40% and 65%.

How does Grit promote gender equality with its partners?

One example of how Grit promotes gender equality with its partners is by providing disadvantaged women in Kenya with the skills to pursue careers in real estate development and related sectors. In 2022, we supported BuildHer, a Kenyan-based NGO, with USD 40,000 to sponsor the training of women on development sites. BuildHer research has shown that these women can increase their average income by 530% after only four months of training. More than 4,000 people have directly and indirectly benefited from the program so far.

Our partnership with BuildHer means these women can gain on-site experience and earn an income by working at Grit's developments. In its maiden year, our initiative resulted in women representing almost 25% of all staff on one of our project sites in Kenya, with positions ranging from labor to professional and management services.

We are always keen to share our knowledge and experiences with others. This is why we launched the Women's Property Network in Mauritius in 2017, providing a platform for females in the sector to support and share insights. We later rebranded as Women with Grit to include all professional females.

The platform recently went global, with its inaugural podcast in celebration of International Women's Day on 8 March 2023 (available on major streaming services including Apple Podcasts and Soundcloud).

Describe the impact of climate-related risks and opportunities on Grit's businesses, strategy, and financial planning.

Grit supports the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We are fully committed to managing and reporting climate-related risks and opportunities across our operations so that stakeholders understand our strategy and the actions we are taking.

In the next three years, the Group aims to fully align with all TCFD disclosure requirements – especially on targets and metrics – while continuing to report transparently on climate-related risks and opportunities.

Grit recognizes that climate change requires us to address the transitional and physical risks and opportunities that apply to our business. Part of our strategic headway is to become a net-zero carbon business in the long term. We are in the process of implementing a formalized net-zero pathway, with a target date of June 2023.

As part of our net-zero ambition, Grit integrates environmentally sustainable initiatives into project design. This includes increasing renewable energy procurement to maximize efficiency and reduce the carbon output of our redevelopment schemes.

These women can increase their average income by 530% after only four months of training.

What measures has Grit implemented to ensure you meet your environmental performance targets?

Grit has provided a detailed explanation of our Key Performance Indicators – including a full list of measures to meet our environmental performance targets – on pages 54-57 of the 2022 Integrated Annual Report.

Our key environmental performance targets and progress include:



To achieve a 25% reduction in CO₂ emissions by 2025

14% (June 2022) ☒ On track



To achieve a 25% reduction in water consumption by 2025

17% (June 2022) ☒ On track



To achieve a 25% reduction in building efficiency by 2025

16% (June 2022) ☒ On track

In addition, the Group's new head office – The Precinct, in Mauritius – was built in accordance with the best ESG practices. We believe this epitomizes the commitment to environmental sustainability that is central to Grit's ethos.

Case study: Africure Pharmaceuticals

How are we accelerating Africa's self-reliance, increasing local pharmaceutical manufacturing capacity, and boosting access to affordable medicines?



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 and is ambitious to serve more communities across the continent.

Over 200 pharmaceutical products are registered and manufactured from WHO cGMP-compliant manufacturing facilities in Cameroon, Ivory Coast, Tanzania, Ethiopia, and an Africa-dedicated facility in India.



Analgesics



Anti-infectives



Anti-parasitic



Respiratory



Alimentary tract
& metabolism
products



Non-steroidal
anti-inflammatory
drugs

Our impact

The Covid-19 pandemic sent multiple shockwaves across Africa, from shortages in food to finance. Access to medication was also severely impacted, triggering a continent-wide crisis. Today, nearly half of the continent's population cannot access the essential medicines required, disproportionately impacting some of the most vulnerable groups in society, from people with low incomes to women and children. **As a result, up to 80% of the pharmaceuticals consumed in Africa are imported.**

This presents a growing opportunity for manufacturers to develop local manufacturing while alleviating exposure to shortages – facilitating the development of more resilient and locally led healthcare systems.

In 2022, we invested USD 15 million to support Africure's strategy to increase local pharmaceutical manufacturing capacity, improving access to affordable medicines that treat multiple medical conditions.

Our investment in Africure supports the company's growth plans to increase production capacity and progressively broaden the range of diseases and conditions that its portfolio can address, from 23 today to over 30 by 2028. The company was able to serve c. 3.8 million patients by providing affordable malaria drugs, in a region that was home to 95% of malaria cases and 96% of malaria deaths. 48 million units of medicines were sold in 2022 in over 10 Sub-Saharan African countries, where over 60% of deaths are estimated to be due to non-communicable diseases.

53m

units of malaria drugs sold

3.8m

malaria patients served⁴

48m

units of chronic disease medicines sold

23

diseases/conditions addressed by Africure portfolio

"Africure is a trusted manufacturing and distribution partner that has developed one of the most impactful pharmaceutical businesses across Africa. It is crucial to help local manufacturers scale as they are often disadvantaged, and face lengthier working capital cycles compared to foreign manufacturers. Our partnership will boost access where there is an urgent need to provide quality and affordable treatment to consumers that need it the most."

– Fulton Shiundu, Director, BluePeak

Investment Targeted SDGs



Alignment with the 2X Criteria

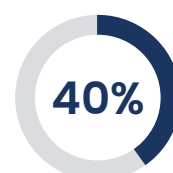
In terms of alignment with the 2X Criteria, Africure meets Direct Criteria 4, as the company produces a range of products used by women during pregnancy, such as folic acid and supplements that boost their iron intake. BluePeak is exploring new pathways to further the company's focus on gender equality.

Spotlight on our ESG value add

While Africure's production facilities all have ISO 14001, and ISO45001 in addition to WHO GMP licenses, the partnership with BluePeak has influenced the way Africure approaches E&S risks to ensure that those risks are effectively managed and mitigated. The action plan focuses 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 is working closely with Africure to strengthen its human resources policies to reinforce measures against child and forced labor and discrimination.

We believe that robust corporate governance is essential for companies to attain financial stability, and we provide support to our portfolio companies throughout their growth phases in implementing effective governance policies that encompass board governance and controls. We took an active role and assisted Africure in implementing various measures as we advocate for measures that foster transparency and uphold good governance principles.

Since the investment in May 2022, Africure has exhibited a real commitment to improving its ESG procedures and has progressively worked through the action plan...



of the items implemented as of Dec 2022

4. Assuming that two pills are taken per day for seven consecutive days.

Case study: iENG Group

How are we improving connectivity for last-mile access to close Africa's digital divide?



29,800+
O&M sites

7,700+
towers delivered

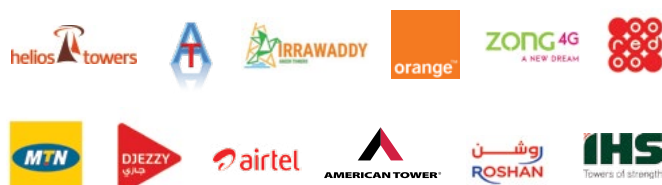
22+
countries



Company overview

iENG is a home-grown African company that specializes in passive infrastructure engineering, O&M services, and hybrid power solutions to the telecom sector and became a prominent provider to Blue-chip clients in 20 African countries, Asia, and the Middle East.

Main clients



Commitment to sustainability

In line with its growing commitment to sustainability, all iENG upcoming projects are focused on the modernization of telecom towers with a minimal carbon footprint through renewable energy infrastructure. iENG strives towards zero wastage of its materials in production, compact packages using the least possible amounts of packaging material, optimization of transportation and use of sustainable energy for product energy. GreenPole, a subsidiary of iENG, is developing efficient and green hybrid power solutions, low-cost solar solutions, mini-grid solar solutions and energy management. iENG carries out internal audits, external certifications under the ISO, and external disclosures to Ecovadis⁵ annually.

5. Ecovadis is the world's largest and most trusted provider of business sustainability ratings

Our impact

Africa has the world's lowest connectivity rates 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. This shift in focus could narrow the gap in connectivity and reduce the digital divide.

The continent adds 22 million people to the workforce annually and needs to create jobs to keep pace. The International Finance Corporation estimates that a 10% increase in digital connectivity leads to a 2.5% increase in GDP per capita. With young Africans redefining the employment landscape, the internet is integral in developing the requisite skills to accelerate productivity and inclusive growth.

Given Africa's disparity between internet availability (84%) and mobile internet users (22%), barriers to connectivity need to be broken. High data costs restrict access, while increased competition amongst service providers improves affordability in line with the proliferation of infrastructure.

Since 2007, iENG has significantly grown to meet consumer demand, especially in rural areas, and has built and maintained over 7,700 cellular towers, and c. 30,000 sites respectively, driving continent-wide improvements. High-quality infrastructure development continues to raise the bar of impact generation; however, there is plenty of room to grow. The USD 20 million investment from BluePeak assists iENG's geographic expansion across Africa by providing catalytic capital for new contracts with blue-chip clients.

700
new sites built

29,800
sites maintained

200
sites equipped with
hybrid solutions

 renewable
power
accounting
for half of all
energy use

Investment Targeted SDGs



Alignment with the 2X Criteria

iENG is aligned with Direct Criteria B as more than 30% of senior management positions are held by women. The company continues to provide a progressive platform for female leadership and empowerment.

"iENG is pioneering a movement to improve connectivity for hundreds of African communities and we're excited to partner with them and boost access to reliable digital services across the African continent."

– Walid Cherif, Managing Director, BluePeak

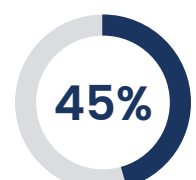
Spotlight on our ESG value add

iENG has a competent dedicated team and effective systems in place to manage EHS risks. The company was the first company in Africa among all of its competitors to shift towards the certification of all of its operations with ISO 22301:2019; the international standard for implementing and maintaining effective business continuity plans, systems, and processes.

To bolster their procedures, we recommended additional measures, including (i) establishing an internal grievance mechanism, (ii) reinforcing HR policies to prevent child and forced labor and gender-based violence, and (iii) developing resource efficiency and waste management plans.

Moreover, we played an active role in improving the current corporate governance procedures by developing a comprehensive action plan for iENG to execute. This included proposing the appointment of independent directors, with one being a female representative.

iENG has been highly receptive and exhibited a strong commitment to implementing the action plan...

 **45%** of the items already
implemented as of
December 2022

Case study: Watu Africa

How are we encouraging financial inclusion, entrepreneurship, and sustainable infrastructure in East Africa?



\$200m
USD mobilized



600k+
loans disbursed

6
countries



Company overview

Watu is an East African asset leasing fintech company focused on improving mass-market mobility across Africa through financial inclusion and accessibility. The company provides innovative and flexible asset financing solutions for individuals to purchase two and three-wheelers.

Commitment to sustainability

Watu believes electric vehicles (EVs) are part of the continent's future as we witness a gradual phase out of conventional bikes. The company views itself as an integral player in this process, not only from an EV financing perspective but also by engaging in the development of EV infrastructure such as efficient and reliable batteries, and a swap station network.



Our impact

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. Buy-now-pay-later (BNPL) widens the net to extend financing to low-income earners, women, and the rural population – a segment with limited access to more traditional financing options. Watu offers the opportunity for this segment to obtain an income generating asset and drive entrepreneurship.

BluePeak's USD20 million investment is earmarked to broaden access to financial services for underserved and unbanked individuals by expanding Watu's geographic footprint across East Africa.

Watu's business model offers synergy with our core impact areas, including SDG 8 and 13 by (i) driving entrepreneurship and creating quality jobs and (ii) encouraging climate-smart electric vehicle financing and charging infrastructure, supporting the availability, affordability, and development of climate-resilient public infrastructure. Since its inception, Watu financing has contributed to the creation of 600,000 indirect jobs and impacted 3.6 million lives, capturing the importance of financing, and enabling entrepreneurship for those on the fringes of society.

Investment Targeted SDGs



Alignment with the 2X Criteria

Watu is aligned with Direct Criteria 3 as 40% of employees are female in addition to being an equal opportunity employer.

150,000

bikes financed including electric bikes

Spotlight on our ESG value add

Our team is working closely with Watu to drive ESG integration across the company's operations with a focus on social considerations. During the due diligence, BluePeak identified a set of actions based on the Client Protection Principles to promote responsible financial services based on sustainable and transparent lending practices.

"The investment will be making a positive impact on the communities it serves, by supporting financial inclusion, spurring inclusive growth, and reducing inequalities."

– Adam Hadidi, Co-founder & Managing Director

Looking ahead: Our 2023 objectives



We have been very busy in 2022 preparing for future more ambitious goals. Specifically, in line with our commitment to enhance transparency and engage in a process of iterative improvement, we plan to commission an external consultant to audit our disclosure statement and ensure alignment with the 9 principles of the Operating Principles for Impact Management.



Also, recognizing the severity of climate change on African economies and the speed required to respond, we will establish our climate policies and procedures and work on a tool to measure our GHG emissions and those of our portfolio companies. This will add impetus to plans to expand the focus on climate consciousness, which will form an integral part of our impact strategy and beyond.



Lastly, we understand our work does not start and stop with our partner companies. Gathering our learnings from these investments will help us develop and implement a CSR program, aligning with our core focus around women empowerment, environmental sustainability, and the improvement of the well-being of our communities.



Inquiries

Content

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Data Disclaimer

While we have used our best efforts to ensure the accuracy of the data used in this report, this data has been received from the portfolio companies and should be read as being indicative of magnitude rather than exact figures.
