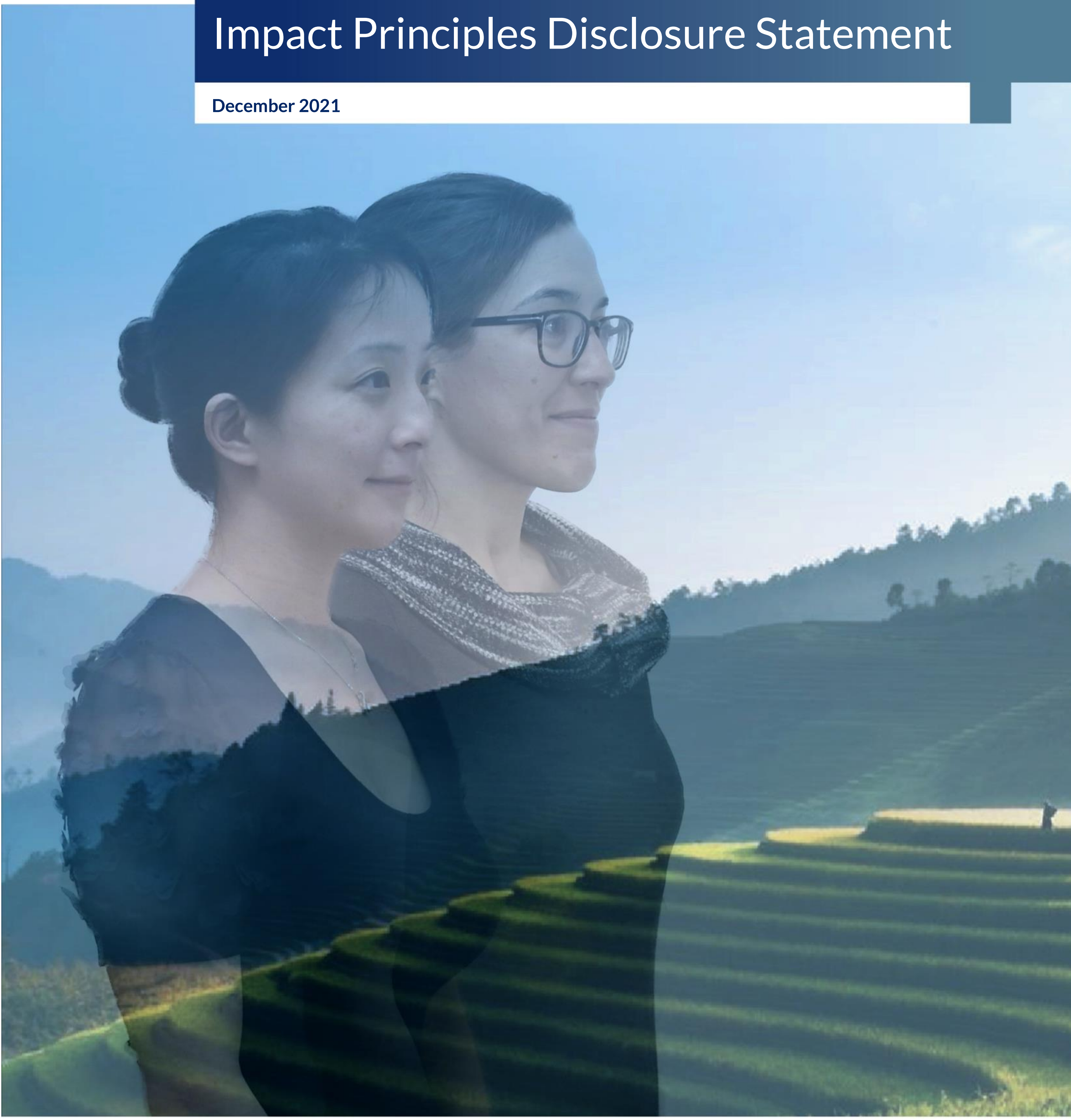
BLUE EARTH CAPITAL AG, BAAR-ZUG

Impact Principles Disclosure Statement

December 2021



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Operating Principles for Impact Management

BLUE EARTH CAPITAL AG

December 2021

Blue Earth Capital AG (the "Signatory"), formerly PG Impact Investments AG, hereby affirms its status as a Signatory to the Operating Principles for Impact Management (the "Impact Principles").

BlueEarth is a leading global impact investment firm, backed by Partners Group[1], one of the world's leading private markets managers. BlueEarth aims to create positive social and/or environmental impact with a focus on investing in emerging markets, whilst delivering attractive financial returns.

This Disclosure Statement[2] applies to all funds (the "Covered Assets") under management by Blue Earth Capital AG, including:

- PG Impact Investments I, L.P.
- PG Impact Botnar Mandate, L.P. Inc.
- PG Impact Opportunities A, L.P.
- PG Impact Investments II (USD) S.C.A., SICAV-RAIF
- PG Impact Credit Strategies 2020 S.C.A., SICAV-RAIF
- BlueEarth Climate Growth Fund I, S.C.A., SICAV-RAIF

As of the publication of this statement, the total assets under management in alignment with the Impact Principles is USD 519 million.

Urs Baumann
Co-Founder & CEO
Blue Earth Capital AG
www.blueearth.capital

29th December 2021

[1] Blue Earth Capital AG is backed by, but independent from Partners Group Holding AG and its affiliated companies.

[2] The information contained in this Disclosure Statement has not been verified or endorsed by International Finance Corporation, the World Bank or any member of the World Bank Group or the Secretariat or Advisory Board. All statements and/or opinions expressed in these materials are solely the responsibility of the person or entity providing such materials and do not reflect the opinion of International Finance Corporation, the World Bank or any member of the World Bank Group. None of International Finance Corporation, the World Bank or any member of the World Bank Group shall be responsible for any loss, claim or liability that the person or entity publishing this Disclosure Statement or its investors, Affiliates (as defined below), advisers, employees or agents, or any other third party, may suffer or incur in relation to this Disclosure Statement or the impact investing principles to which it relates. For purposes hereof, "Affiliate" shall mean any individual, entity or other enterprise or organization controlling, controlled by, or under common control with the Signatory.

Principle 1: Define strategic impact objective(s), consistent with the investment strategy.

The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.

Alignment:

- BlueEarth has developed an investment strategy consistent with the firm's mission to provide access to basic needs, promote inclusive growth and fight climate change. This includes the definition of clear impact objectives at the portfolio and investee level, and the use of positive and measurable impact metrics.

- The investment strategy explicitly integrates the SDGs, both at the portfolio level and by constructing logic models linking investees' expected impact outputs to specific SDG targets in impact assessments. BlueEarth develops a logic model for each investment that links the investees' Outputs to Outcomes, Impact, and applicable Sustainable Development Targets (SDTs).

- BlueEarth specifically uses logic models to:
  - assess the causal relationships between inputs, outputs, short-term outcomes and long-term outcomes (impact) of an investment
  - link measurable outputs of an organization to the SDTs/SDGs
  - establish impact KPIs in support of SDTs/SDGs

- BlueEarth's Annual Impact Reports gauge the proportionality of the firm's portfolio-level impact to its committed capital. Additionally, on an annual basis BlueEarth assesses the pro-rata impact attributable to the Fund through its investments.

Principle 2: Manage strategic impact on a portfolio basis.

The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.

Alignment:

- BlueEarth manages impact achievement by specifying clearly defined impact criteria throughout the investment process.

- On a portfolio basis, screening tools are used to disqualify potential investments for both financial and impact considerations from the outset. In the due diligence and execution phases, the investment process incorporates a systematic Impact Assessment, based on the IMP's[3] five dimensions of impact.

- BlueEarth manages impact achievement post investment through value creation initiatives and through regular monitoring reviews that track impact considerations via investor quarterly and annual impact reporting.

- BlueEarth has aligned the firm's senior staff incentive systems with the achievement of impact. Impact targets are also included in the year-end performance review process for impact specialists within the investment team.

[3] Impact Management Project

Principle 3: Establish the Manager's contribution to the achievement of impact.

The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.

Alignment:

- BlueEarth has established a clear narrative on its contribution to the achievement of impact for investees (i.e., "investor contribution"), through financial and non-financial channels.

- BlueEarth has developed a rating scale to assess its expected investor contribution of capital invested on each direct or fund investment opportunity, to determine at the due diligence stage where funding is likely to have outsized impact.

- Additionally, BlueEarth also collects evidence in the form of case studies to review its contribution to investees. Such contribution can take the form of flexible financing to social enterprises in markets underserved by traditional investors, of corporate governance initiatives, or of value creation initiatives.

Principle 4: Assess the expected impact of each investment, based on a systematic approach.

For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact.

In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.

Alignment:

- BlueEarth operates a clearly defined, systematic process to assess and quantify the expected impact of investments, incorporating the IMP's five dimensions of impact, standardized metrics (e.g., IRIS+[4]), and the relative importance of the SDG target(s) addressed by companies in the geographies in which investees' operate.

- BlueEarth drives standardization and comparability (across sectors and asset classes) in the firm's Impact and ESG Assessments of investees. A proprietary scoring mechanism is used to assess the expected impact on a 1 to 4 scale for each dimension of Impact and ESG. This includes assessing the relative size of the challenge addressed and opportunities to mitigate risks.

- For each investment, the Investment Committee will agree on a final overall impact rating, considering the relative weighting of IMP's five impact dimensions and the specific context of the geography and impact sectors targeted.

[4] Global Impact Investment Network's Impact Reporting and Investment Standards

Principle 5: Assess, address, monitor, and manage potential negative impacts of each investment.

For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.

Alignment:

- BlueEarth has a comprehensive and documented Impact and ESG assessment process to identify, avoid, and mitigate impact and ESG risks in the impact screening and due diligence phases of the investment process.

- Impact risks, such as mission drift risk, are taken into consideration in our proprietary Impact Assessment. While BlueEarth's assessment and management of ESG risks varies according to the strategy and the level of influence, an ESG risk assessment framework is integrated into the Investment Committee's investment decision-making process for all investments.

- BlueEarth has recently further enhanced its risk management processes by implementing a new ESG scorecard for fund investments, and a comprehensive ESMS tool for direct debt investments that requires rigorous consideration of downside ESG risks at each stage of the investment process. For direct equity investments, BlueEarth will seek to play a more active role in supporting, and where necessary intervening, to ensure investee companies respond appropriately to any ESG issues that arise.

- BlueEarth negotiates responsible investment standards into legal documentation where possible and monitors its investments on an ongoing basis to ensure that any potential ESG or reputational issues are quickly identified and properly managed. In 2021 we also launched our first environmental impact survey to begin collecting annual carbon footprint data for all direct investments.

Principle 6: Monitor the progress of each investment in achieving impact against expectations and respond appropriately.

The Manager shall use the results framework (referenced in Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.

Alignment:

- BlueEarth has a predefined process in place to collect impact data from investees, ensuring alignment on core impact metrics and reporting requirements within legal documentation.

- Impact KPIs are identified with management prior to close as outputs from the logic models and must be measurable in a cost-effective manner. Legal documentation outlines the quarterly impact data collection requirements from investees, including expected metrics that are unique to the company or sector, as well as a set of standard metrics that is collected across the portfolio.

- BlueEarth has an implemented process to compare expected and actual impact performance on a regular basis for fund and direct investments, and impact data provided by investees is also reported within comprehensive Annual Impact Reports.

Principle 7: Conduct exits considering the effect on sustained impact.

When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.

Alignment:

- BlueEarth has a formalized approach to assessing the sustainability of impact during the exit decision making process.
- Exit planning is addressed from the outset of the due diligence process, with proactive sourcing that ensures a priority for high-impact themes and for businesses with impact built into the business model.
- Before an exit decision is presented to the Investment Committee, the investment team uses a proprietary impact risk framework in order to assess potential exit options from both an impact and a commercial perspective. This framework includes asset class specific criteria to ensure appropriate responses are evaluated at or before exit.
- When assessing divestment recommendations, the Investment Committee will review the impact risk assessment alongside financial considerations.

Principle 8: Review, document, and improve decisions and processes based on the achievement of impact and lessons learned.

The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.

Alignment:

- Through the quarterly collection of impact KPIs, and the publication of Annual Impact Reports, BlueEarth has a clearly defined process in place to review and document the impact performance of each investment.

- Through periodic investment monitoring, BlueEarth reviews investees' progress against quarterly impact management goals and improves operational, strategic, and management processes based on lessons learnt.

- BlueEarth has continued to build out its Global Impact Function with the hiring of a dedicated Senior Impact and ESG Manager and the establishment of a new Impact & ESG Committee that is backed by the Executive Committee and that ensures continued development of the impact framework according to best practices.

Principle 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.

The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.

Alignment:

- BlueEarth publicly affirms its alignment with the Impact Principles in this Disclosure Statement.

- Blue Earth Capital engaged BlueMark, a Tideline company, to independently verify the alignment of BlueEarth's impact management practices with the Operating Principles for Impact Management, an industry standard for integrating impact throughout the investment lifecycle. BlueMark's assessment findings were concluded in November 2020 and cover both areas of strength and areas for improvement, as reflected in the Verifier Statement available here. The next independent review is planned for 2023.

- BlueMark is a leading independent provider of impact verification services in the impact investing market. BlueMark is a subsidiary of Tideline Advisors, LLC, a specialized consulting firm that works with asset managers and allocators to design and implement best-in-class impact management and measurement systems.