



Annual Impact Report 2020

For the period from 1 January 2020 to 31 December 2020



Foreword

Blue Earth Capital AG "BlueEarth" was founded with the vision to combine private investment and entrepreneurial talent to provide solutions to the world's most pressing societal challenges. During 2020, which has cast more light on the ever-growing needs faced by underserved communities, BlueEarth is proud to grow our efforts to combat societal inequalities and climate change. Our team is thrilled to celebrate our five-year anniversary. Thanks to our like-minded investors who have entrusted us with USD 382 million of capital, we have invested in opportunities which make a real difference to over 4.1 million people globally.

Our international team of seventeen impact investment professionals ensures a broad sector coverage across healthcare, education, agriculture, affordable housing, energy access, job creation and financial inclusion. Whilst we have always considered the environmental effects per investment, in 2020 we enhanced our carbon footprint reporting. Furthermore, BlueEarth has signed the Operating Principles for Impact Management. We believe their implementation is a great step forward in enhancing transparency for the impact investing industry.

When COVID-19 hit, our investment teams immediately switched to crisis mode, initiating close monitoring of our investments, assessing business model vulnerability and continuity and supporting our investees to successfully navigate through the pandemic. During the crisis, our priority was to provide continued access to basic products and services for underserved individuals. Goodlife, for example, one of our healthcare investees, has sustained customer care throughout lockdowns by facilitating orders via WhatsApp and e-pharmacy. Instead of the year-end gift to our investors, BlueEarth donated to SANNI Foundation, which provides financial and nutritional support to impoverished and vulnerable Burmese households during the COVID-19 lockdown.

Market disruption, national lockdowns and the focus on supporting our investees reduced new investment execution during the first half of 2020. Following stabilization into the new norm and an Investment Committee approval to selectively proceed on virtual due diligence, sourcing and investment activity picked up significantly. We financed a leading provider of financial services to underserved individuals in Colombia and committed to a fund building a diversified pan-African portfolio of high-growth companies. We have built a strong pipeline across asset classes and expect to capitalize on a number of exciting opportunities.

To date, BlueEarth' platform has a total committed capital of USD 236 million across 37 investments, contributing to the improvement of the lives of over 4.1 million underserved people. In aggregate, our investees have touched over 87.2 million lives across 33 countries. In the following report, you will find an overview of our impact investment approach as well as the impact created by our investments to date.

Impact investing has emerged as a driving force for change to combat the negative effects of COVID-19. Although the path ahead continues to be challenging, we at BlueEarth are highly motivated to deliver strong returns and high positive impact to our investors whilst supporting our investees and improving the lives of underserved people. We thank all our clients, business partners and supporters for their trust and valuable contribution. Together we can make a real difference.



Urs Wietlisbach
Co-Founder & Chairman
Blue Earth Capital AG



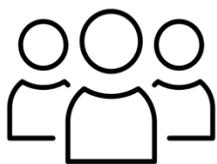
Urs Baumann
Co-Founder & CEO
Blue Earth Capital AG

Table of contents

1. Impact highlights
2. BlueEarth in numbers
3. Introduction
4. Impact approach
5. Portfolio insights and ESG indicators
6. Impact sectors
7. New portfolio investments
8. COVID-19 response: notable investments
9. Appendix

1. Impact highlights

Lives touched



4.1M 3.8M

underserved individuals
out of a total of 87.2M

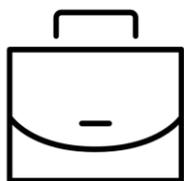
Countries served



33 27

countries

Local jobs provided



1.7K 1.6K

jobs
out of a total of 46.7K

Clients financed / served



75K 67K

individuals and MSMEs¹
out of a total of 4.5M

Students served



191K 0

students
out of a total of 3.9M

Housing units financed



409 376

houses
out of a total of 21.1K

Farmers supported



1.4K 1.1K

Smallholder farmers
out of a total of 16.9K

Healthcare services provided



529K 487K

low income individuals
out of a total of 10.8M

2020 data

2019 data

¹ Micro, small and medium enterprises.

Note: Unless specified otherwise, the metrics throughout the report refer to the data for BlueEarth' platform (i.e. consolidated data for PG Impact Investments I L.P. and other vehicles managed by Blue Earth Capital AG). BlueEarth aggregates key performance indicators at sector and fund level. Reported figures in bold are attributable to BlueEarth' pro-rata share of capital invested by BlueEarth' platform relative to each investee's total capitalization; "total" figures represent the total aggregated impact of all underlying assets. Following receipt of additional data in 2020, 2019 metrics are re-stated and thus do not reconcile with BlueEarth Annual Impact Report 2019.

Source: BlueEarth as of 31 December 2020.

2. BlueEarth in numbers

Established



2015

with headquarters in Switzerland

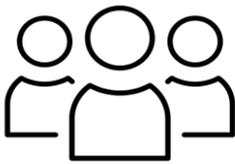
Offices



4⁵

Switzerland, UK, Singapore, USA

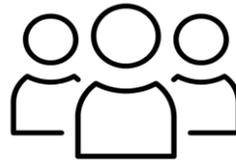
Employees



19¹⁹

15 full-time, 4 part-time

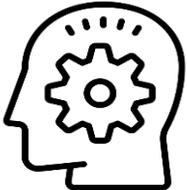
Investment committee



7⁷

members

Combined industry experience



352³⁰⁸

years

Investments reviewed



2.1K^{1.5K}

since October 2015

Investments closed¹



37³²

since October 2015

Committed capital²



236M^{196M}

USD

2020 data

2019 data

¹ Includes four "top-ups" to existing portfolio investments (three direct debt, one primary).

² Based on total committed capital to date including four investments which have already been exited (three direct debt, one primary) and four "top-ups" to existing portfolio investments (three direct debt, one primary).

Note: Employee and office data are as of 31 March 2021.

Source: BlueEarth as of 31 December 2020.

3. Introduction



"We believe that private investment, innovation and entrepreneurial talent can provide solutions to the pressing societal challenges we face today"

Urs Baumann, Co-Founder & CEO

BlueEarth invests in opportunities where social and environmental impact goes hand-in-hand with market-rate returns. We believe that social enterprises with both a sound business model and the ability to attract institutional capital are best positioned to generate impact at the scale necessary to make a difference.

BlueEarth follows a global, integrated, relative-value investment approach. We invest across a broad range of impact sectors and across the entire capital structure. We have a strong focus on emerging markets with the goal to create impact where the need is highest while achieving risk-adjusted financial returns¹.

Relative value investing

BlueEarth proactively sources its investment opportunities globally through its network of social entrepreneurs, industry experts and platforms, impact investment managers and the local teams of Partners Group's 20 global offices. To benchmark the global impact investment opportunity set, BlueEarth identifies those areas with the greatest potential for financial and social return in the prevailing market environment and defines the sectors, regions and strategies likely to offer higher investment value and impact relative to other segments.

BlueEarth believes that this top-down view on the most attractive impact investment opportunities globally, combined with its bottom-up ability to identify and develop the most promising investments within local markets will yield the best result for our clients.

Investment strategies

Our investment approach includes two investment strategies: direct and fund investments.

- **Direct investments:** we invest in the growth of attractive enterprises with a proven business model, high development potential and a measurable and scalable social and environmental impact. BlueEarth can flexibly invest through equity and debt structures. We work closely with management teams throughout the life of the investments to achieve the growth, value and impact creation targets.
- **Fund investments:** we complement our direct investments with commitments to select impact investment managers. Through a flexible combination of these investment strategies, BlueEarth can benefit from specialist sector and market know-how and build a more diversified, global impact investment portfolio.

Impact sectors and investment focus

BlueEarth invests across all impact sectors while prioritizing inclusive finance, SME growth / job creation, affordable housing, energy access, food & agriculture, healthcare and education. For each priority sector, investment strategies have been defined on the basis of the long-term viability of business models, growth / value-creation opportunities, as well as scale and depth of impact. For each of the defined focus areas, a comprehensive pipeline of direct and fund investments is maintained.

¹ Risk-adjusted returns refer to returns taking into account potential drags to performance.
Source: BlueEarth.

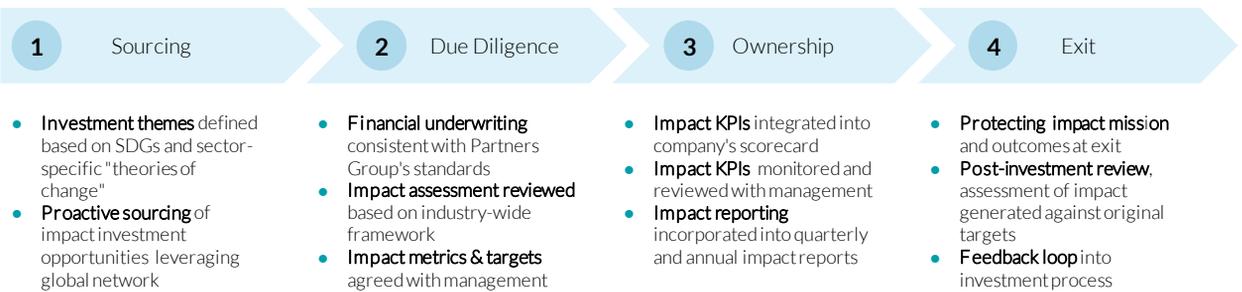
4. Impact approach



Impact investment approach

BlueEarth has the dual mission of achieving attractive financial returns and positive environmental and social impact, as framed by the United Nations Sustainable Development Goals (SDGs). To achieve the latter, BlueEarth integrates a robust impact management system throughout the investment lifecycle; including a best-in-class impact assessment and reporting methodology.

Companies and funds will be selected only after multiple assessment points in the investment lifecycle, from deal sourcing and due diligence through exit, for their potential to generate environmental and social impact in line with the funds' mandates. The results of impact assessments performed during due diligence will be considered by the Investment Committee of BlueEarth as one of the key factors in deciding whether or not to invest. Furthermore, impact-related metrics will be monitored throughout the ownership and reported in annual impact reports. Upon exit, thorough consideration is given on how the impact mission can be protected under a new ownership structure. Lastly, BlueEarth will integrate learnings on how to create and sustain impact into new and existing impact investments.



Impact assessment framework

BlueEarth has actively contributed to the development of an industry-wide impact assessment framework. BlueEarth was one of the first global impact investment firms to adopt and integrate the work and findings of the Impact Management Project¹ (IMP) in its Due Diligence process. In particular, the framework adopted IMP's five dimensions of impact: What, How much, Who, Contribution and Risk:

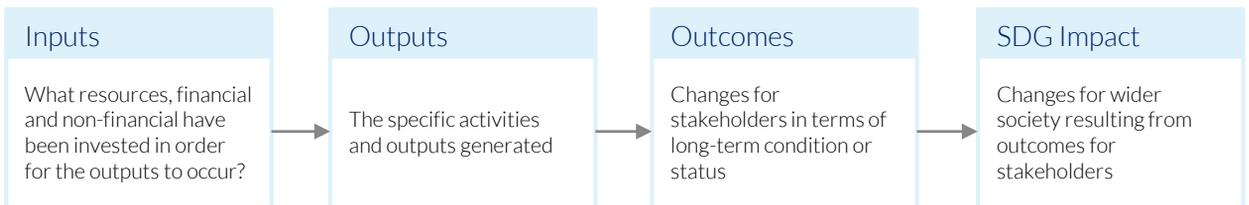


¹ Impact Management Project; Retrieved from: <http://www.impactmanagementproject.com>. Source: BlueEarth as of 31 December 2020.

Integration of Sustainable Development Goals

BlueEarth impact objectives are fully aligned with the United Nations' Sustainable Development Goals (UN's SDGs), which call for action by all countries to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and addresses a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.

To ensure alignment with the SDGs, BlueEarth develops a logic model for each investment that links the investments to potential outputs, outcomes and ultimately impacts. These impact can then be linked to the relevant SDGs and Sustainable Development Targets (SDTs).



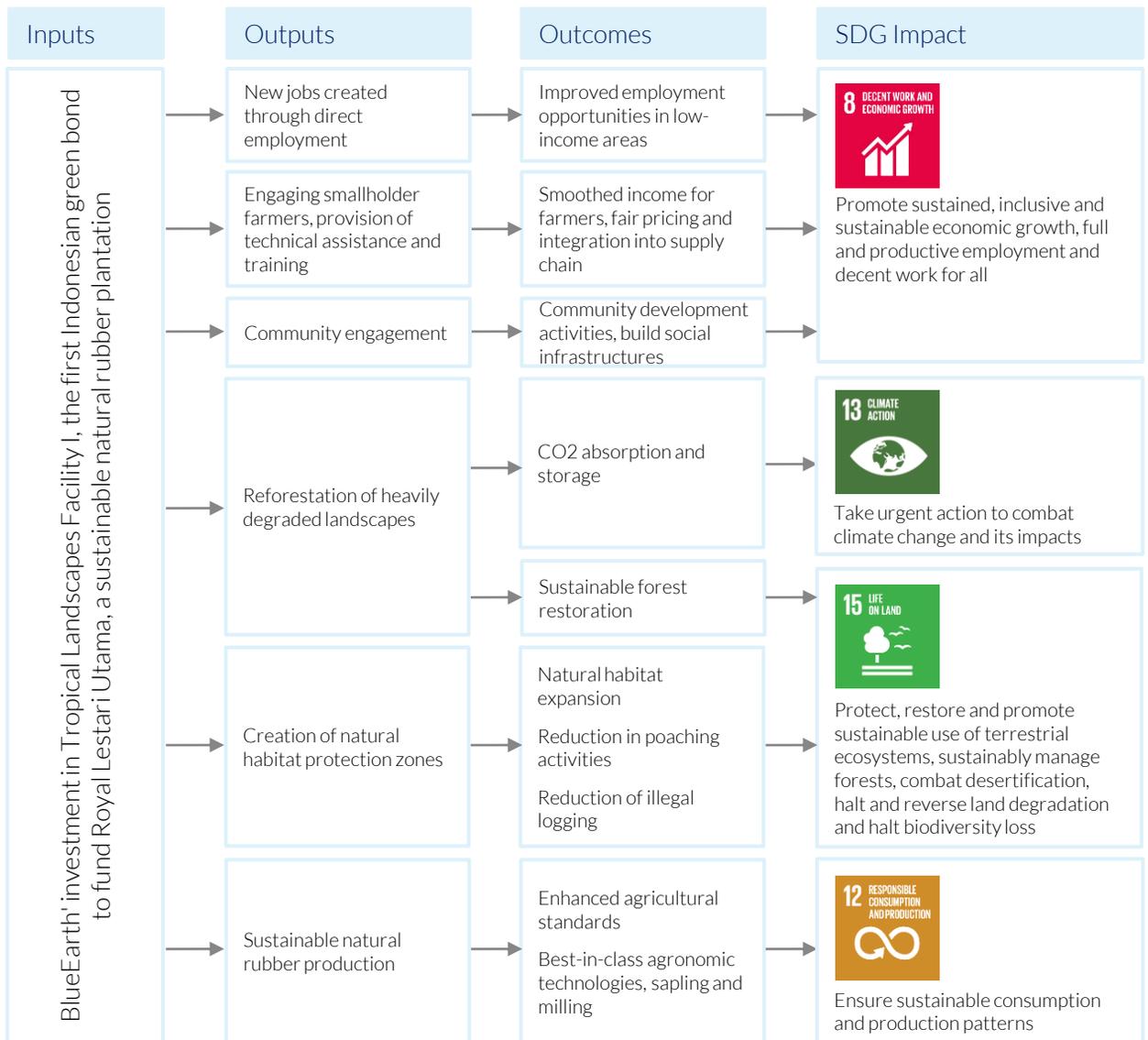
BlueEarth portfolio companies and fund investments may support several SDGs. As shown in the example on the right, individual investees may address multiple social- and environmental-oriented SDGs simultaneously.

The illustration below shows which SDGs our portfolio companies and fund investments currently are supporting.



¹ Size of colored areas show how many investments are supporting a specific SDG in relation to other SDGs. One investment can support different SDGs simultaneously. Size of colored area is not representative of amounts invested or depth / scale of impact generated by the investments.

Source: BlueEarth as of 31 December 2020.

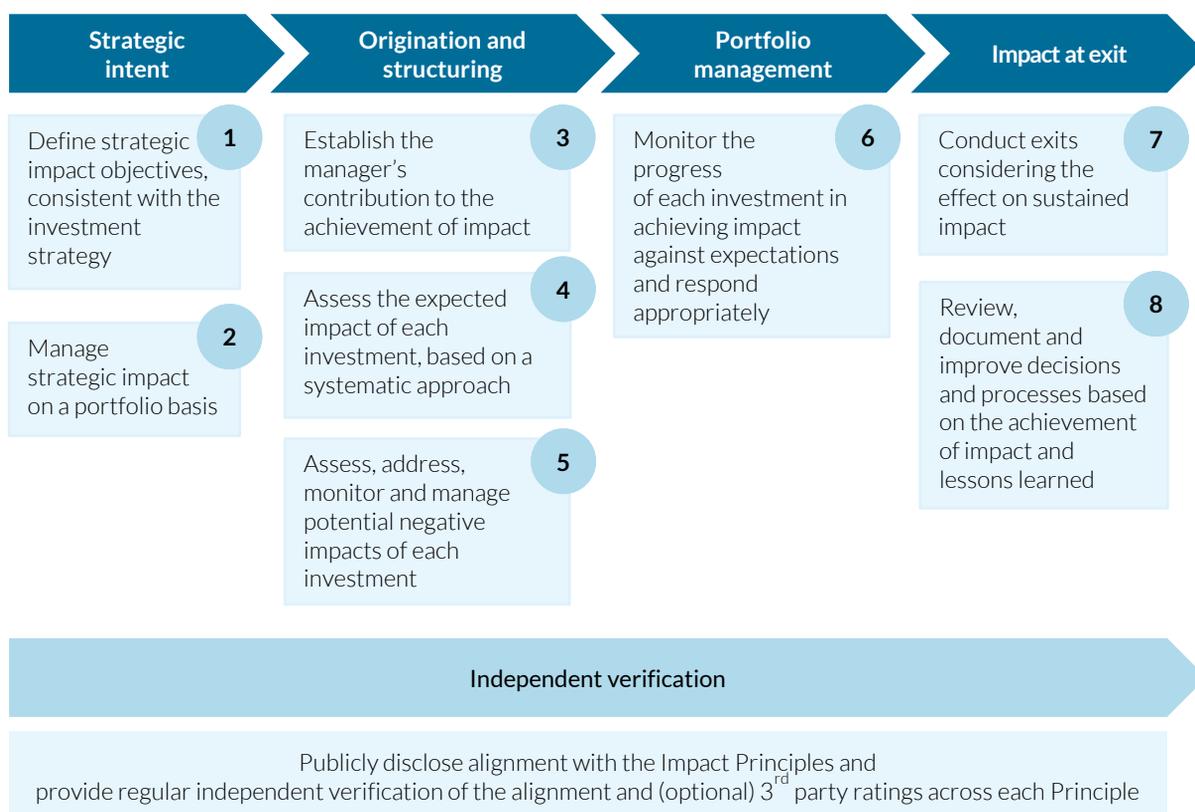


Operating Principles for Impact Management

In 2019, the International Finance Corporation launched a new framework, the Operating Principles for Impact Management ("Impact Principles"), that establishes a set of best practices for impact management. The Impact Principles were developed in collaboration with key stakeholders from the impact investment community. Signatories to the Impact Principles are required to ensure purposeful integration of these good practices throughout the manager's full investment cycle. BlueEarth welcomed the establishment of the Impact Principles as they foster increased accountability for both veteran impact managers and newcomers alike.

In 2020, Blue Earth Capital AG (BlueEarth) 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 cover both areas of strength and areas for improvement, as reflected in the Verifier Statement.

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.



BlueEarth is a Signatory to the Impact Principles, and in December 2020 we published the firm's [Disclosure Statement](#) outlining the firm's alignment to each Principle alongside BlueMark's [Verifier Statement](#) with their ratings. The next independent review is planned for 2023.

BlueMark has commended BlueEarth for publishing these ratings – noting that "it speaks well to BlueEarth' commitment to transparency and authenticity in impact" and that "BlueEarth is modelling best practice in transparency for its peers".

Alignment with Impact Principles



	Impact Principle	BlueMark rating ¹	BlueEarth alignment examples
Strategic intent	1 Define strategic impact objectives	ADVANCED	<ul style="list-style-type: none"> Investment strategies consistent with the firm's mission to "improve lives of underserved people" Explicit integration of SDGs via logic models Definition of clear impact objectives at portfolio- and investee-level and use of measurable impact metrics
	2 Manage impact on a portfolio basis	ADVANCED	<ul style="list-style-type: none"> Investment process guided by clearly defined impact criteria Systematic impact assessment based on the IMP framework Management of impact post-investment through impact and value creation initiatives and regular monitoring Alignment of staff incentives with the achievement of impact
Origination and structuring	3 Establish contribution	HIGH	<ul style="list-style-type: none"> Provision of flexible financing to social enterprises in markets underserved by traditional investors Engagement with management on impact and value creation Expected BlueEarth contribution formally assessed at entry
	4 Systematically assess expected impact	ADVANCED	<ul style="list-style-type: none"> Clear, systematic process to assess and quantify expected impact of investments, incorporating the IMP's impact dimensions, standardized metrics (e.g. IRIS) and SDG targets Proprietary scoring system to ensure standardization and comparability of impact and ESG assessments across portfolio
	5 Manage potential negative impacts	MODERATE	<ul style="list-style-type: none"> Comprehensive Impact and ESG assessments in place Clearly defined process to identify, avoid and mitigate Impact and ESG risks during screening and diligence phase Integration of ESG considerations in IC process Ongoing impact performance monitoring
Portfolio management	6 Monitor progress against expectations	HIGH	<ul style="list-style-type: none"> Alignment on core impact metrics and reporting requirements captured in legal documentation Predefined process to collect impact data from investees Regular review of actual vs. expected impact performance Reporting through comprehensive annual impact report
	7 Consider sustained impact at exit	ADVANCED	<ul style="list-style-type: none"> Proactive sourcing based on impact themes, with priority for businesses with impact built into the business models Likelihood of impact mission preservation assessed during due diligence process At exit, considerations given to sustainability of impact alongside financial outcomes based on structured framework
Impact at exit	8 Improve decisions and processes based on learnings	HIGH	<ul style="list-style-type: none"> Clear process to review and document each investee's impact performance (quarterly monitoring, impact report) Clearly defined process to improve operational, strategic and management processes based on lessons learned Global Impact Function, backed by Executive Committee, responsible for further development of impact framework

¹ BlueMark assigns four ratings for the degree of alignment with the Impact Principles: **Advanced** (Limited need for enhancement), **High** (A few opportunities for enhancement), **Moderate** (Several opportunities for enhancement), and **Low** (Substantial enhancement required). BlueMark's full assessment findings can be found in its [Verifier Statement](#).

Source: BlueMark, BlueEarth as of 31 December 2020.

5. Portfolio insights and ESG indicators



Portfolio overview



● Direct investments (main impact region)

■ Fund investments²



¹ Based on total investments / total committed capital to date including investments which have already been exited (three direct debt, one primary) and "top-ups" to existing portfolio investments (three direct debt, one primary).

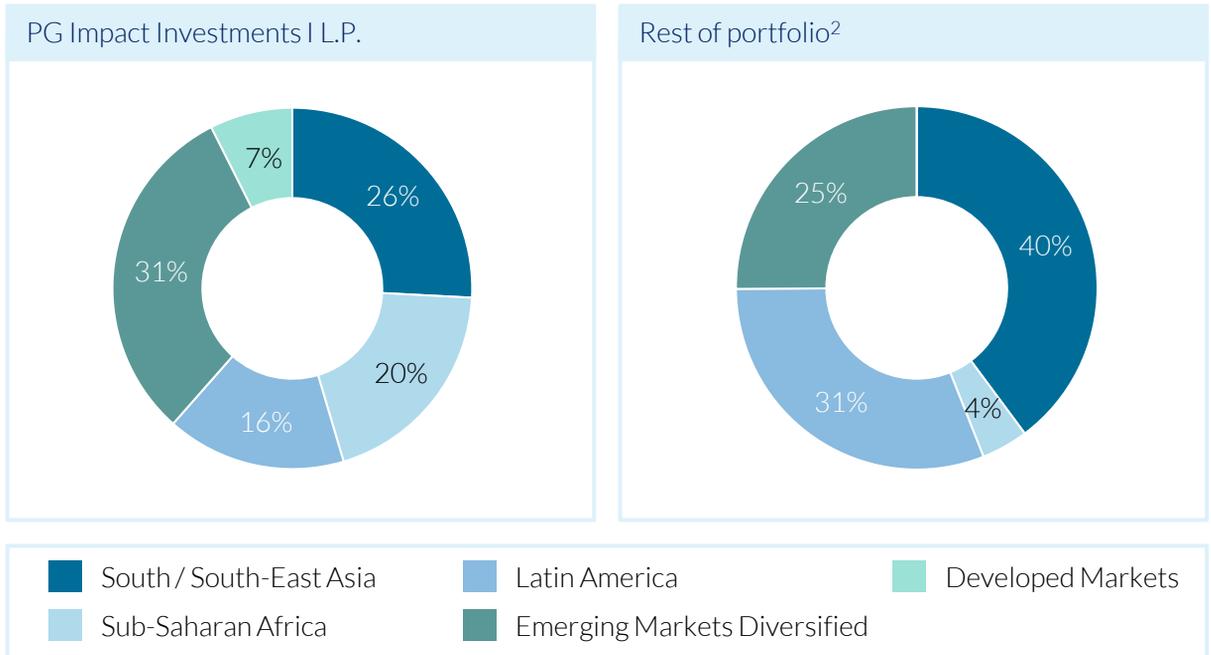
² For the Blue Orchard Microfinance Fund, only the top 10 countries are highlighted due to the Fund's vast global presence. For the other funds, geographic presence is determined by the locations of the headquarters of the portfolio companies.

Note: Figures above are presented for illustrative purposes only.

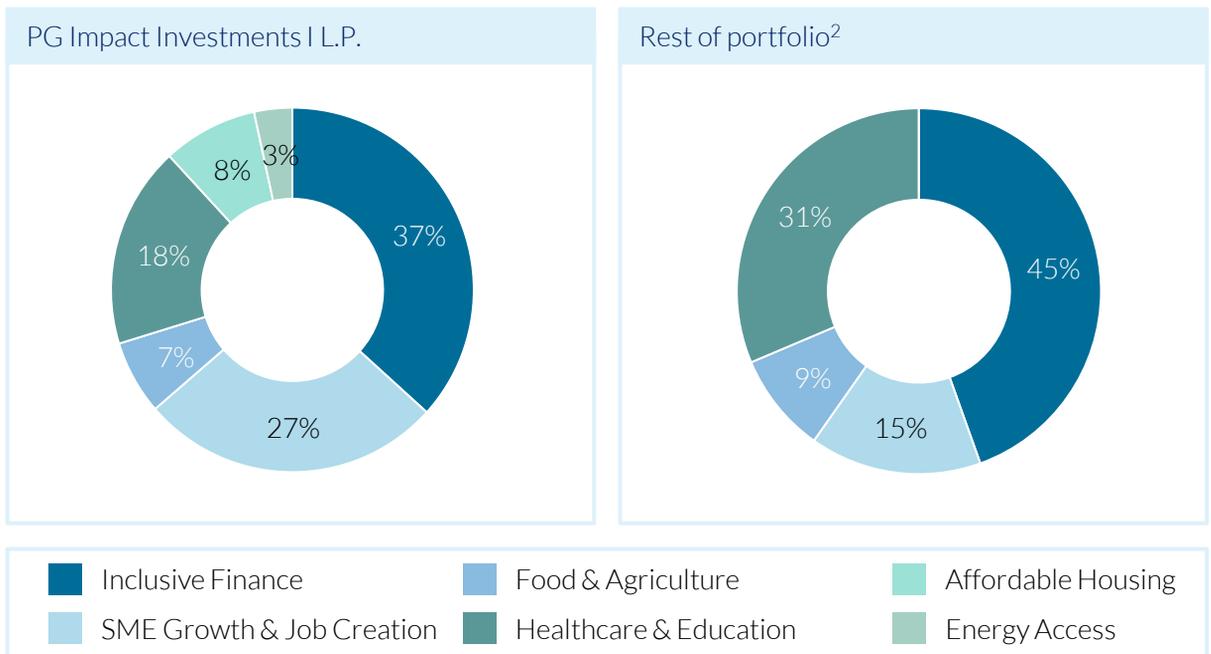
Source: BlueEarth as of 31 December 2020.

Portfolio allocation

Impact geographies (% of committed AuM¹)



Impact sectors (% of committed AuM)



Note: Figures above are presented for illustrative purposes only.

¹ Refers to committed assets under management including all commitments to date (including exited investments).

² Includes PG Impact Investments II (USD) S.C.A. SICAV-RAIF, PG Impact Credit Strategies 2020 S.C.A. SICAV-RAIF, PG Impact Opportunities A L.P. and PG Impact Botnar Mandate L.P. Inc.

Source: BlueEarth as of 31 December 2020.

Social impact and COVID-19 response

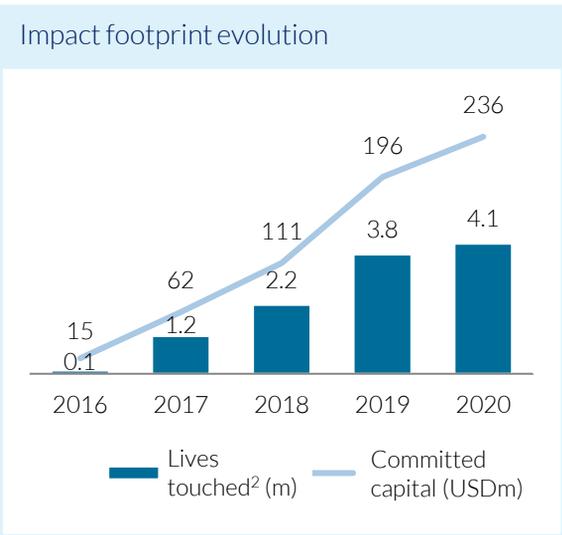
BlueEarth tracks impact performance of its investment strategy over time. The assessment considers:

- Number of lives touched and committed capital to measure the scale of impact
- Revenue growth as a top-line indicator of investee performance
- Job creation data given its close link to economic growth and social development
- Gender equality metrics to monitor gender performance
- Rural outreach to assess the breadth of impact

Amidst the COVID-19 pandemic, which had a disproportionate effect on the world's poorest and most vulnerable populations, BlueEarth mobilised to support its portfolio companies to weather the crisis. Throughout 2020, BlueEarth actively tracked the COVID-19 response of each investee as part of impact performance monitoring, seeking to sustain progress towards the SDGs.

Lives touched and committed capital

Since 2019, BlueEarth' impact footprint, as estimated by the number of lives touched, has grown 9.1%. While the platform has completed five new investments¹, it is the resilience of the existing portfolio companies that has ensured the increase in this impact metric.



In the challenging COVID-19 environment, BlueEarth' investees continued to support their

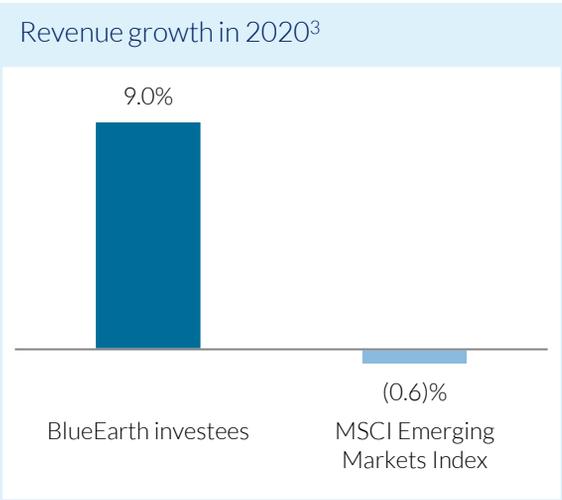
communities and clients. Select COVID-19 response initiatives by sector include²:

- **Healthcare:** digital solutions for public authorities and healthcare facilities to support management of screening / testing programs, contact tracing, epidemiological surveillance as well as medical supplies stock management
- **Education:** greater use of distance learning tools (digital materials available via low-cost channels such as WhatsApp) and support for teachers' needs (online teacher training)
- **Financial inclusion:** leniency measures such as moratoria or restructuring of loans for borrowers who may have lost all or part of their incomes
- **Affordable housing:** calls to understand the residents' needs, connect them to critical services and provide support with applications to access resources and benefits
- **Food and agriculture:** community partnership programs to provide additional income for smallholder farmers

Revenue growth

It is vital that positive outcomes achieved can be scaled and sustained over time. Thus, BlueEarth values firms with a high-growth potential.

Despite the difficult operating environment, the BlueEarth' investees delivered 9.0%³ revenue growth having outperformed the wider market in emerging markets. Healthcare and financial inclusion investees have been the key contributors to this.



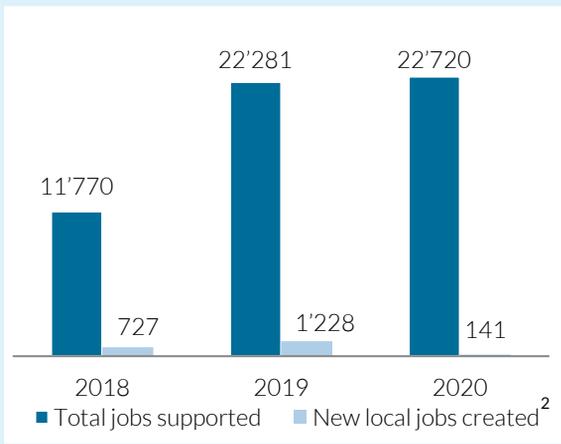
¹ Includes one primary "top-up" to existing portfolio investments.
² For further information, see "8. COVID-19 response: notable investments".
³ Figures are based on the data collected from direct investees of BlueEarth.
 Source: Thomson Reuters I/B/E/S, BlueEarth as of 31 December 2020.

Job creation

BlueEarth' investees provide opportunities for full-time employment, allowing for a stable source of income to employees and thus contributing to local economic development. The qualitative aspects of jobs are captured by ensuring that investees have adequate labour, compensation, and occupational health and safety policies and practices, which are reviewed as part of the due diligence process.

At the time of unprecedented job losses triggered by the worst global economic recession since the Great Depression, BlueEarth' portfolio assets preserved critical jobs. The existing investees not only retained 2019 employment levels but created 141 new local jobs. In total, BlueEarth supported employment of over 22'720 individuals as of December 2020.

Employment track record¹



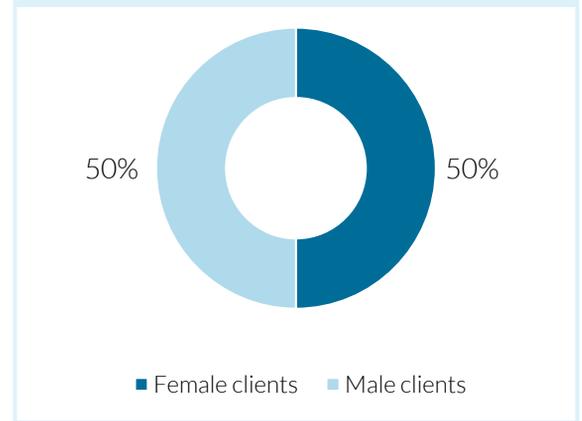
Gender equality

As part of work to foster women's empowerment and gender equality globally, BlueEarth monitors investees' gender performance to the extent possible. In addition, this has been a key area of focus in 2020 given that COVID-19 impacts women differently and disproportionately, deepening pre-existing gender inequalities.

In 2020, BlueEarth' investees served over 565'200 female clients¹ – investments in Banco

Pichincha, Cooprogreso and LOLC Cambodia have been the key contributors to this.

Female clients reached¹

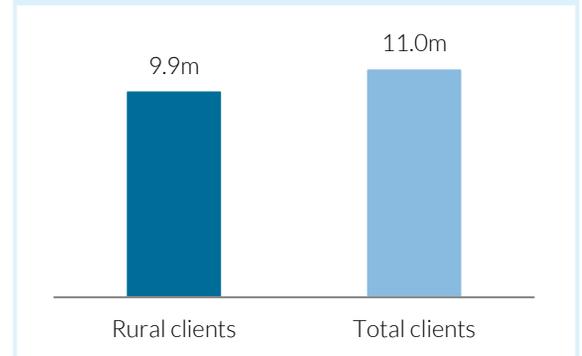


Furthermore, BlueEarth monitors gender dynamics within its own organization. As of March 2021, female employees accounted for 41.2% of total headcount³ and 28.6% of Investment Committee members were women.

Rural outreach

Looking to evaluate the breadth of impact, BlueEarth estimates the rural outreach of its investees, where this data is available. Among the portfolio companies who reported this data in 2020, 90.1%¹ of clients were living in rural areas – with Greenlight Planet, LOLC Cambodia and Cooprogreso investments accounting for a significant share in this.

Rural client coverage¹



¹ Figures are based on the data collected from direct investees of BlueEarth.

² Figures are based on the jobs created by existing investees (assets invested in prior to 2020) and exclude new jobs created as a result of new investments.

³ Total headcount excludes temporary employees and part-time staff.

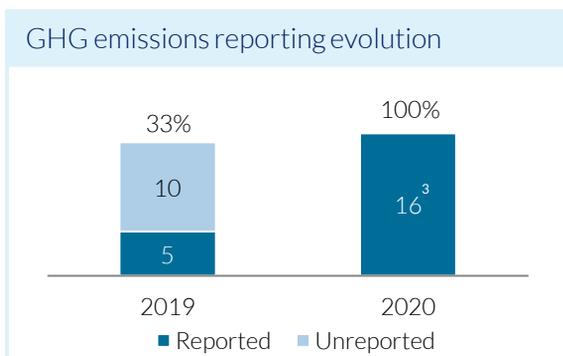
Source: BlueEarth as of 31 December 2020.

Environmental impact

We are committed to improving the living conditions of underserved people by facilitating job creation and increasing access to goods and services to support economic and social development. However, we recognize that investing for social outcomes may sometimes conflict with preserving the environment, as some investment activities inevitably generate greenhouse gas (GHG) emissions.

Emissions survey

To better understand the carbon footprint of our investments, we sent all direct investees a first-time survey to collect greenhouse gas related data. The survey is designed following GHG Protocol¹ guidelines on three scopes of emissions, an industry best practice, with customizations based on the portfolio. Data reported include total tCO₂e² emissions, fuel and electricity consumption data, and emissions from financed activities.

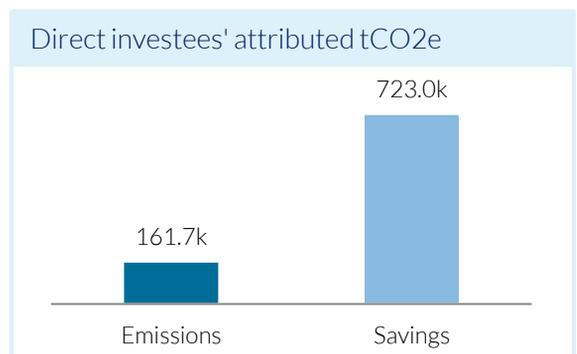


BlueEarth collected self-reported carbon footprint data in 2019 from five investees. This year, we received input from every one of our direct investees through the dedicated survey.³ The significant progress reflects our strong commitment to monitoring the environmental sustainability of our portfolio, and to tracking the evolution of our portfolio against this baseline going forward.

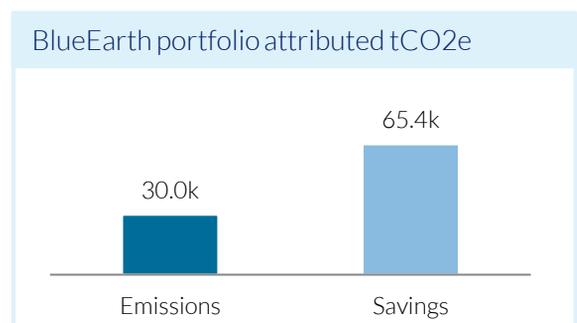
Emissions footprint

We estimate that, in 2020, our investees generated around 25'700 tCO₂e from business activities (including electricity consumption) with an additional 136'000 tCO₂e from indirect activities (e.g. emissions from vehicles financed by specialized lenders in our portfolio)⁴.

However, BlueEarth also invests in companies with positive environmental impact, such as affordable, clean energy solutions, sustainable agriculture, and land reforestation. In 2020, Banco Pichincha, TLFF and Acceso Crediticio have been key contributors to reducing BlueEarth' carbon footprint. It is estimated that together they have facilitated the saving of over 723'000 tCO₂e.



Directing capital to environmentally sustainable businesses is important to us. In addition to reporting overall emissions from investees, we have also calculated the share of carbon emissions attributable to BlueEarth based on our pro rata share of total capital invested⁴. By investing in carbon negative businesses, we are able to fully offset CO₂ emissions attributable to the BlueEarth' funds.



Aside from tracking the carbon footprint of our portfolio, BlueEarth also looks to reduce the footprint of our own operations, where possible. Our corporate air travel – typically the largest contributor – was significantly reduced due to COVID-19 and is also fully offset as part of Partners Group's collaboration with Natural Capital Partners, a leading expert on carbon neutrality and climate finance⁵.

¹ The GHG Protocol sets the global standard for how to measure, manage, and report greenhouse gas emissions.

² tCO₂e means metric tonnes of Carbon Dioxide Equivalent, a common measure of GHG emissions.

³ Includes investees who provided at least one datapoint to estimate CO₂ emissions. Runa is excluded given the sale in 2018.

⁴ See Appendix for more detail on data limitation and impact measurement methodology.

⁵ Partners Group and Natural Capital Partners have built a global portfolio of low carbon sustainable development projects that Partners Group is financing in order to offset its CO₂ emissions according to the highest international standards.

6. Impact sectors



Inclusive finance

31% (1.7 billion) adults across the globe have no access to formal financial services (World Bank)

Latin America
% of unbanked population
45%

Africa
% of unbanked population
57%

Asia
% of unbanked population
30%

Challenges and COVID-19 implications

Globally, c. 1.7 billion adults are unbanked and have no access to formal financial services. As a result, they are unable to take advantage of basic economic tools such as savings, credit, money transfers or insurance. This leaves them vulnerable to shocks such as job losses or unsuccessful harvests. For the unbanked, the COVID-19 crisis is proving to be severe. Access to financial services would enable them to protect their families, hedge against risks and invest in their future.

Over 10'000 microfinance institutions (MFIs) tackle some of these issues by providing credit and increasingly deposit and savings services to c. 140 million clients in emerging markets. Despite the success of MFIs, a large portion of the population remains underserved. New business models are needed to broaden access and reduce costs.

COVID-19 has brought an additional challenge to the financial inclusion ecosystem: the need to balance the end clients' financial needs (via providing leniency to borrowers whose incomes are affected by the pandemic) and their own operational challenges (such as liquidity issues). As economic activity is restored following COVID-19 lockdowns, credit is expected to be essential as people rebuild their lives and businesses.

Investment themes and strategies

- **Microfinance:** support MFIs in underserved areas that provide small loans to individuals and informal businesses to further penetrate underserved segments and markets.
- **Specialty financial services:** pensions, savings, investment and insurance services allow low-income individuals in emerging markets to mitigate the risk of income shocks and shortfalls that could otherwise push them into extreme poverty.
- **Fintech:** application of technology to traditional business models (e.g. digitalization of MFIs, online remittances, personal finance) and development of new technologies. These new models can help broaden the access to financial services and reduce transaction costs.



Cooperativa de Ahorro y Crédito Cooprogreso: client testimonial

"I have been working for 10 years in my restaurant, but because of the COVID-19 pandemic, my business stopped generating income for the months that we were in confinement. I applied for a loan with Cooprogreso, and it has helped me reactivate my business."

(Owner of a restaurant in La Libertad, Ecuador)

Inclusive finance – portfolio overview



Banco Pichincha seeks to catalyze responsible and sustainable development in Ecuador by providing affordable and appropriate financial products and services – including housing loans, micro credit and savings, remittances and micro insurance products – to underserved clientele.

528'750
microcredit clients served in Ecuador



Bayport Colombia aims to expand lending to underserved individuals who typically are unable to access financial services due to income constraints and limited credit history. With its loans, the company allows clients to obtain services such as education, healthcare and home improvement, or to support their small business.

62'330
underserved clients served in Colombia



Bayport Mexico aims to provide lending to public sector employees and pensioners, primarily teachers and healthcare workers, who typically are unable to access financial services due to income constraints and limited credit history. With its loans, the company allows clients to obtain services such as healthcare and housing, or to support their small businesses.

74'550
underserved individuals served in Mexico



Cooperativa de Ahorro y Crédito Cooprogreso Ltda. offers quality financial products and services to support economic development of its members and communities in Ecuador. Founded 50 years ago in the village of Atahualpa, located in a small rural mountain area in central Ecuador, Cooprogreso now operates through a branch network that spans across seven provinces.

305'010
cooperative members served in Ecuador



LOLC (Cambodia) Plc. seeks to improve the lives of low-income Cambodians by offering a diverse suite of socially responsible financial products including microcredit to households living in peri-urban and rural areas.

280'800
rural Cambodians served



BlueEarth improves access to financial services – including insurance, savings, credit, payments and pensions – for underserved populations across emerging markets through strategic partnerships with leading impact funds such as **Accion Frontier Inclusion Fund, L.P.**, **Accion Quona Inclusion Fund, L.P.**, **African Development Partners III L.P.**, **Apis Growth Fund II L.P.**, **BlueOrchard Microfinance Fund**, **Growth Catalyst Partners LLC**, **LeapFrog Emerging Consumer Fund III L.P.** and **Northern Arc India Impact Fund**.

3.3m
individuals served globally

Note: Impact KPIs for fund investees reflect reported aggregated available impact KPIs for the funds' underlying portfolio companies. The investee data is based on the latest available information.
Source: BlueEarth as of 31 December 2020.

SME growth / job creation

42% (130 million) MSMEs in developing countries are constrained by access to finance (IFC)

Latin America
% of MSMEs constrained by external financing
22%

Africa
% of MSMEs constrained by external financing
50%

Asia
% of MSMEs constrained by external financing
43%

Challenges and COVID-19 implications

Globally, c. 90% of businesses and 50% of employment comes from micro, small and medium enterprises ("MSMEs"). They are a vital contributor in job creation, innovation and economic development, accounting for c. 70-95% of new employment opportunities in emerging economies.

Access to finance is a key challenge: over 40% of formal MSMEs in developing countries lack access to external financing and this number is significantly higher when informal MSMEs are included. The unmet financing demand of these MSMEs is c. USD 5.2 trillion a year – c. 1.4x the current level of the global MSME lending.

The COVID-19 pandemic presented MSMEs with unprecedented challenges. The situation has worsened as governments have limited emergency reserves and financial institutions have become more risk-averse to lending to MSMEs. This has heightened the need for MSMEs to access to capital to support diminishing cash reserves and the uncertainty from economic downturns, lockdowns and other external shocks.

Investment themes and strategies

- **Small and medium enterprise lending:** providing working capital, expansion capital and more traditional corporate lending solutions to 130 million MSMEs who are not serviced by financial institutions.
- **Fintech:** by drawing on technology developments, financial technology institutions can offer solutions that are efficient and effective at a lower scale, especially when compared to traditional banking institutions.
- **Merchant cash advance:** providing retailers with a flexible and scalable form of financing with repayments made as a percentage of revenue. This allows retailers with few assets and limited credit history gain access to capital.



Tugende: COVID-19 response snapshot

As part of Tugende's efforts to support clients, staff and the community through the challenges of COVID-19, Tugende has worked with tailors in its Uganda client base to order and produce over 6'000 face masks – helping tailors with livelihood and ensuring access to high quality masks.

Through the COVID-19 pandemic, Tugende's clients retained their assets allowing them to keep working / moving as the Company offered a payment moratorium and suspended all penalties through the lockdowns. Drawing on charitable donations, Tugende provided UGX 25'000 / KES 700 unconditional cash transfers for over 23'000 active clients.

SME growth / job creation – portfolio overview



Edpyme Acceso Crediticio SA is a Peru-based, regulated financial institution specialized in providing loans to self-employed taxi drivers to purchase natural gas vehicles, and more recently, has diversified into other transport activities, such as financing light utility vehicles for small and medium-sized enterprises as well as more energy efficient fleets for bus route operators.

44'260
MSMEs
financed in
Peru



Credijusto is a technology-enabled financial services company that provides affordable products to the underserved and rapidly growing SME market in Mexico. Credijusto seeks to become the leading provider of financial products to Mexican SMEs. The company currently offers secured and unsecured term loans, secured credit lines, and equipment leases.

530
underserved
SMEs
financed in
Mexico



i-Finance Leasing Plc offers affordable leases to an underserved market of low-income individuals and MSMEs in Cambodia to purchase productive assets such as motorbikes, cars and appliances or equipment.

7'260
MSMEs
financed in
Cambodia



NeoGrowth Credit is a systemically important non-deposit taking non-banking financial company. As a pioneer in SME lending underwritten by digital payments and customer transactions, NeoGrowth provides unsecured working capital financing to underserved small and mid-sized retail enterprises in India. The innovative daily automated collections align better with merchants' sales cycles and provide an attractive and flexible financial product.

17'750
SMEs
reached in
India



Tugende provides lease-to-own financing for motorcycle taxi drivers and other self-employed entrepreneurs in Uganda and Kenya. Drivers are typically young men with limited education or employment prospects, stuck in a poverty trap of paying significant rental fees to motorcycle landlords. Tugende helps clients move from renting to owning an income generating asset, doubling their take-home income.

43'000
MSMEs
financed in
Uganda and
Kenya



BlueEarth supports MSMEs across Africa, Asia and Latin America through its strategic partnerships with leading impact fund managers such as **Accion Frontier Inclusion Fund L.P.**, **Accion Quona Inclusion Fund L.P.**, **African Development Partners III L.P.**, **Apis Growth Fund II L.P.**, **BlueOrchard Microfinance Fund**, **Growth, Ethos Mezzanine Partners 3**, **Growth Catalyst Partners LLC**, **LeapFrog Emerging Consumer Fund III L.P.** and **Northern Arc India Impact Fund**.

199'500
MSMEs
served
globally

Note: Impact KPIs for fund investees reflect reported aggregated available impact KPIs for the funds' underlying portfolio companies. The investee data is based on the latest available information.
Source: BlueEarth as of 31 December 2020.

Affordable housing

23.5% (1.0 billion) of the world urban population live in slums or informal settlements (United Nations)

Latin America
% of urban residents living in slums
24%

Africa
% of urban residents living in slums
61%

Asia
% of urban residents living in slums
31%

Challenges and COVID-19 implications

c. 1.6 billion people live in inadequate housing. c. 24% of the urban population lives in slums and informal settlements. The COVID-19 pandemic has hit the hardest the more than one billion slum dwellers, who lack adequate housing, do not have running water at home, share toilets and few or no waste management systems.

The need for decent housing is especially strong in emerging markets, where 834 million live in slums. Affordable housing also remains a challenge in advanced economies: 60 million households are financially stretched by housing costs across the United States, the European Union, Japan and Australia. In the United Kingdom, over one million households are on waiting lists for government-subsidized housing.

As urbanization and population growth are outpacing the new home construction, the need for affordable housing is expected to persist.

Investment themes and strategies

- **Housing development:** increase the supply of affordable and quality housing for previously underserved market segments by building new properties (greenfield) or converting existing properties (brownfield) to decent affordable accommodation – supporting sale, rental and rent-to-own schemes as well as development models that provide community infrastructure and development opportunities beyond housing.
- **Housing finance:** inclusive specialized finance institutions providing mortgages to low-income people and key workers – affordable housing non-bank financial corporations are developing strongly in markets such as India and Cambodia.



Project Access¹: COVID-19 response snapshot

The Alvarez family resides at a community owned and operated by Bridge's Workforce and Affordable Housing Strategy. Christina is a stay-at-home mom. When Vincent, the father, unexpectedly got hurt on the job and could no longer work, everything was up in the air for the family. Vincent and Christina worried about paying rent and the bills and feeding their kids. Learning about their struggles, Project Access connected them to several agencies offering rent and electricity assistance. The staff helped Vincent navigate the paperwork required to file for unemployment benefits. While the family waited on financial support, they utilized the onsite food pantry, which helped them stay afloat.

¹ Bridge Workforce and Affordable Housing Fund's Project Access delivers services in onsite Family Centers located in their Workforce and Affordable Housing communities worldwide.

Source: United Nations, Bridge Investment Group, BlueEarth as of 31 December 2020.

Affordable housing – portfolio overview



Bridge's Workforce and Affordable Housing Strategy (Bridge WF) aims to preserve and rehabilitate workforce and affordable housing assets in high growth markets throughout the US. Bridge WF not only provides quality affordable housing to cost burdened households but invests in social services and community spaces to further improve tenant well-being

9'130
affordable
housing units
financed in
the USA



Cheyne Social Property Impact Fund aims to provide decent affordable housing in the UK to households in need by building or purchasing properties and leasing them to social sector organizations that provide social housing services to disadvantaged groups (e.g. sheltered accommodation, care homes, etc.).

890
affordable
housing units
financed in
the UK



IHS Fund II SA is a specialist real estate fund, managed by International Housing Solutions, that delivers affordable green housing for lower- and middle-income families in South Africa, aiming to reduce the number of families living in slums or informal housing and improve access to employment, education, health, security and wealth.

11'105
affordable
housing units
financed in
South Africa



Education

Globally, 58% of all children and adolescents lack a minimum reading proficiency (United Nations)

Latin America
% of children that lack a minimum reading proficiency
36%

Africa
% of children that lack a minimum reading proficiency
88%

Asia
% of children that lack a minimum reading proficiency
68%

Challenges and COVID-19 implications

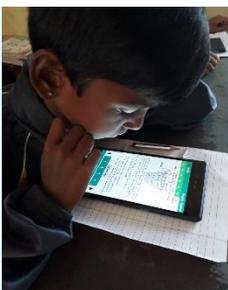
The progress towards inclusive and equitable education is too slow. Over 200 million children are expected to be out of school in 2030. In low-income countries, the school completion rate is 34% in the poorest 20% of households vs. 79% in the richest 20% of households. Inequalities in education have been exacerbated by COVID-19. 188 countries implemented nationwide school closures, affecting c. 90% of students (c. 1.5 billion children and young people). Although remote learning is possible, it remains out of reach for at least 500 million students. The digital divide is expected to widen the gap in access to quality education.

Adequate infrastructure and teacher training are critical for quality of education. In developing countries, schools often lack basic resources, such as consistent electricity. Across Sub-Saharan Africa, under 50% of schools have access to computers and internet. Only 65% of primary schools have basic handwashing facilities critical for COVID-19 prevention.

In the long-run, these challenges not only compromise individual efforts to climb out of poverty, but also threaten the economic prosperity of entire nations.

Investment themes and strategies

- **School financing:** provide financial resources to schools to offer basic resources and high-quality education to its students at affordable prices
- **Vocational training:** increase employability of low skilled workers by teaching job-relevant skills
- **Online education:** leverage technology to provide and broaden access to quality education at affordable prices
- **Education financing:** Increase access to higher education to low-income populations through affordable student loans



Varthana: client testimonial

"We are finding Varthana's digital solutions very helpful. Students are definitely going to benefit from them. Parents are also happy to see that even during the lockdown their children are learning. WhatsApp content provided by Varthana was very beneficial for all classes for four subjects. Varthana has taken into account our challenges and what we wanted and has given us a solution for it."

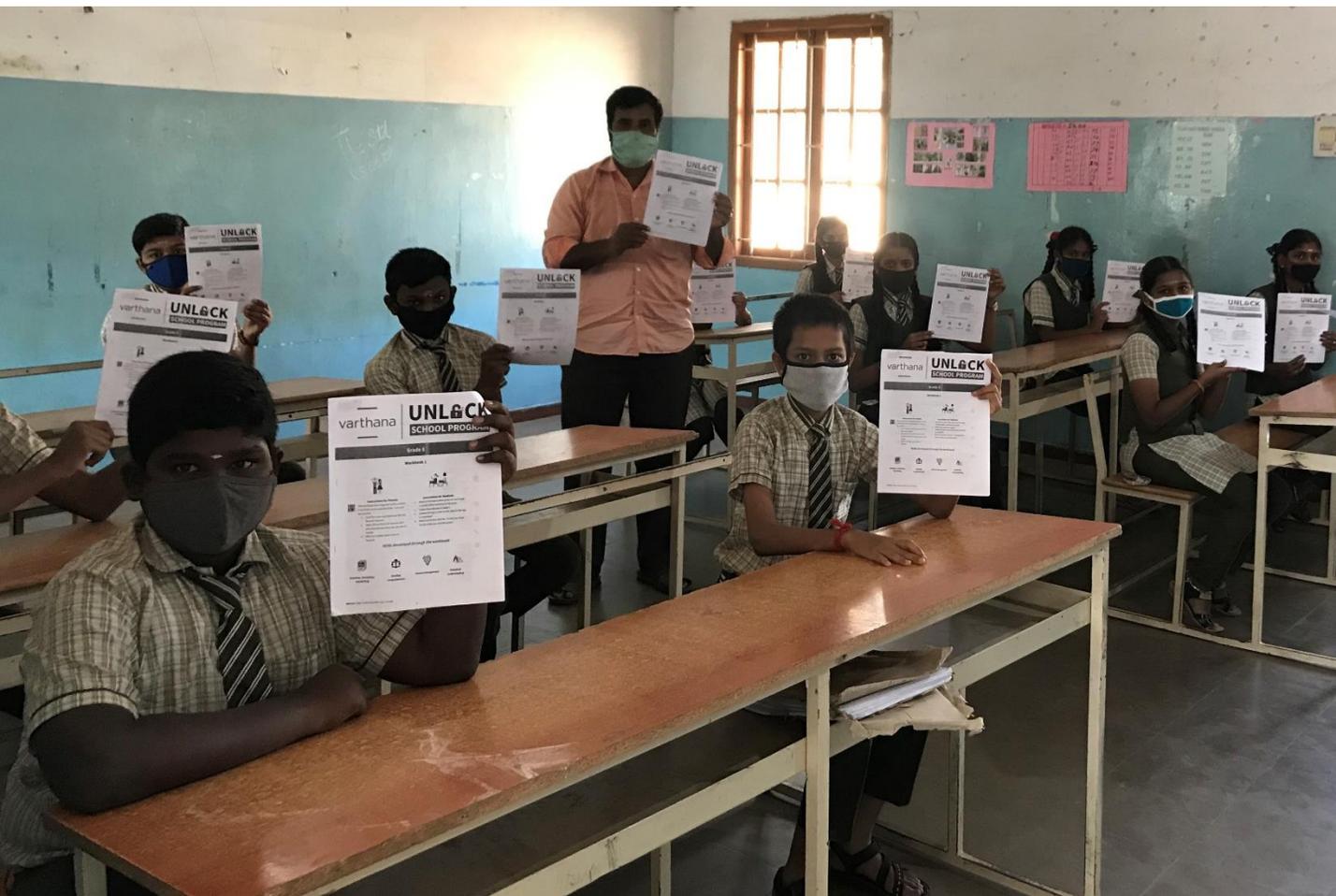
(Balveer Singh, Leader of Radhika Public School, India)

Education – portfolio overview

—
varthana
—

Varthana is a leading non-bank financing company that lends specifically to affordable private schools, with a mission to increase access to quality education in low-income communities. Schools use loan proceeds to expand infrastructure, invest in teacher training and introduce new learning methods into classrooms.

5'910
affordable
private schools
served across
India



Energy access

10% (789 million) of the world's population are without access to electricity (World Bank)

Latin America
% of population without access to electricity
2%

Africa
% of population without access to electricity
53%

Asia
% of population without access to electricity
2%

Challenges and COVID-19 implications

Globally, c. 789 million people – 85% in rural areas – still lack access to electricity. There is also a chronic shortage of affordable and reliable energy, with one in four health facilities not electrified in some developing countries.

In the last decade, there has been significant progress as innovations like off-grid solar solutions have provided environmentally friendly energy to over 420 million people.

The progress made has been stymied by the COVID-19 pandemic. The population without access to electricity is expected to increase for the first time since 2013 as governments face challenging priorities, and private sector programmes have been affected by supply chain disruptions as well as restrictions on movement and international travel.

Investment themes and strategies

- **Solar lights:** affordable clean lighting solutions, with daily financing payments below the displaced cost of kerosene, resulting in increased savings, positive health effects and improved environmental outcomes.
- **Solar household systems:** affordable clean energy access solutions with low upfront costs and medium-term financing.
- **Mini-grids:** decentralized, off-grid community-level clean energy solutions.
- **Clean cooking:** affordable clean-burning cookstoves with significantly lower charcoal / firewood consumption, fuel and indoor pollution which ranks fourth among serious threat to health.



Greenlight Planet: essential products through the COVID-19 pandemic

Solar-powered home energy products of our past investee, Greenlight Planet, have proven essential as billions of people were confined to their homes due to the COVID-19 pandemic. Reliable access to electricity has enabled children to continue education during school closures. Solar home systems have been critical for enabling communications and IT services that connect people while maintaining social distancing.

Energy access – portfolio overview



Greenlight Planet delivers affordable energy by designing, distributing and financing "Sun King" solar products to the world's one billion under-electrified consumers. Most of these consumers were previously reliant on expensive fossil or biomass fuels. Switching to solar results in quantifiable cost savings, improved quality of life and clear environmental benefits.

10.7 million
households
electrified
globally



Food & Agriculture

21% (144 million) of children under the age of five years across the globe are stunted (United Nations)

Latin America
% of children under age of five that are stunted
9%

Africa
% of children under the age of five that are stunted
29%

Asia
% of children under the age of five that are stunted
21%

Challenges and COVID-19 implications

c. 26.4% of the global population is affected by moderate or severe food insecurity. c. 144 million children under five are stunted. The situation is expected to worsen, with the impact of COVID-19 set to almost double acute hunger.

An efficient agriculture sector is essential to reducing hunger and improving food security, as well as increasing resilience to disasters and shocks. However, government spending on agriculture relative to its share of GDP fell by over 33% between 2001 and 2018, thereby increasing the need for private investment. COVID-19 is an incremental threat to food systems: lockdowns have prevented crop harvesting, while reduced incomes have made food less affordable.

Small-scale farmers comprise c. 40-85% of food producers in emerging markets. They face difficulties growing enough food to feed their families and lack access to know-how, capital, market access and storage. They face significant yield gaps, realizing c. 20% of their theoretical potential (vs. 80% in the developed world). The COVID-19 pandemic has resulted in volatile demand for crops, challenges in securing necessary inputs and reduced market access.

Investment themes and strategies

- **Fair trade, supply chain and ethical consumer brands:** strengthen the value chain for smallholder farmers, through fair trade and ethical brands that drive demand for sustainable and ethically sourced food products, which allow smallholder farmers to achieve higher prices and yields.
- **Agri-business:** invest in inclusive agri-businesses that provide transparency and income stability to smallholder farmers and help reduce the yield gap through know-how transfer, education and provision of inputs, such as seeds and nutrients. Efficiently run agri-businesses can lower resource intensiveness, reduce food waste and promote regional trade.



Tropical Landscape Finance Facility: Community Program participant testimonial

"Before joining the Community Partnership Program, our average monthly income from selling rubber to wholesalers was c. IDR 2-5m. Since then, our average monthly income has increased to c. IDR 8m. My family and I now have sufficient vegetables to meet our consumption needs and even earn extra income from selling vegetables. From each harvesting cycle, we earn c. IDR 0.6-0.7m of additional income. This program is truly helpful, especially in the current COVID-19 environment."

(Suhono, smallholder farmer of Karang Jaya Farmers Group, Indonesia)

Food & Agriculture – portfolio overview



Runa owns and operates the world's only supply chain of Guayusa to then manufacture energy drinks and ready to drink teas which are sold in over 10'000 stores in the US. Runa works in close partnership with the local Kichwa people of Ecuador to source Guayusa leaves from independent farming families providing them with additional income, technical knowledge and market access.

2'300
Ecuadorian
smallholder
farmers'
lives improved¹



Shared-X produces and commercializes specialty and organic crops alongside smallholder farmers using regenerative agricultural practices. Under this Impact Farming model, smallholders have access to modern technologies and premium international markets. Resulting in significantly higher yields and greater household income, improving the livelihoods of underserved communities in the regions where the company operates.

780
smallholder
farmers in
market access
programs



Tropical Landscape Finance Facility provides long-term financing to an operator of a sustainable rubber plantation in Indonesia. These plantations provide steady income to low-income farmers, with fair wages. The program also facilitates access to technical assistance and rubber tapping training, allowing farmers to obtain better prices for their rubber and increase their income.

635
Smallholder and
outgrower
farmers in
community
programs in
Indonesia



BlueEarth further supports low income and smallholder farmers in the Food & Agriculture value chains across Africa and Asia through commitments to leading impact funds including **African Development Partners III L.P.**, **Ethos Mezzanine Partners 3** and **Growth Catalyst Partners LLC**.

13'110
farmers
supported
across India,
Tunisia and
Malawi



¹ In 2018, Runa was sold to All Market Inc., a US-based beverage company that manufactures and distributes coconut water-based drink (Vita Coco) in the US and globally. As a result, BlueEarth no longer receives impact KPIs for Runa.

Note: The investee data is based on the latest available information.

Source: BlueEarth as of 31 December 2020.

Healthcare

Globally in 2019, 463 million adults suffered from diabetes, costing USD 760 billion. 79% of cases but only 36% of costs were in low- and middle-income countries. (IDF)

Latin America
diabetes prevalence
9.4%

Africa
diabetes prevalence
3.9%

Asia
diabetes prevalence
9.6%

Challenges and COVID-19 implications

In the last 20 years, chronic diseases have surged from 4 to 7 of the world's top 10 causes of death. Diabetes, kidney disease and dementia add to the burden from heart disease and stroke. Developing countries are increasingly affected: over half of the related rise of two million annual heart disease deaths were in Asia-Pacific.

Many lives and much expense can be saved with early access to diagnostics, preventive care or primary health services, or managed through cost-effective outpatient treatment, including innovative remote care models. Yet, according to the WHO, less than half of the world's population lacks access to essential healthcare services.

The COVID-19 pandemic has exacerbated this inequity and reversed decades of progress. Strained healthcare systems faced global supply chain breakdowns in drugs and protective gear. Lockdowns disrupted essential healthcare and lifesaving interventions, particularly for COVID-vulnerable populations. Systemic recovery is unclear given shortfalls in required immunization doses and distribution. Building up healthcare infrastructure and resilience offers the opportunity to create both immediate and long-term impact.

Investment themes and strategies

- **Healthcare services:** increase access, quality and cost by focusing on scalable, localized and affordable care delivery models including primary care networks, outpatient specialty care and ancillary healthcare services.
- **Preventive and chronic care:** innovative physical, digital and blended care models and diagnostics to address rising chronic health incidence and related gap in non-institutional, personalized treatment modalities.
- **Pharmaceutical and medical supplies:** increase healthcare supply chain resilience by scaling local and regional manufacturing and distribution.



BroadReach Group: COVID-19 response snapshot

When COVID-19 hit, BroadReach Group's AI-powered solution, Vantage, gave leadership real-time information, action recommendations and ability to track community screening, facility readiness and workforce wellness.

Additionally, BroadReach's brave on the ground teams joined "COVID Brigade" community screening teams. Through the Vantage platform, they were able to rapidly screen over 6 million people, collecting life-saving data. The Company is currently working on a vaccine management solution.

Healthcare – portfolio overview



Asian Institute of Gastroenterology (AIG) is India's foremost gastroenterology hospital, offering a comprehensive suite of specialist medical and surgical services. AIG operates an inclusive and efficient business model that enables provision of world class care to underserved and low-income patients through a unique cross-subsidization model and reservation of bed capacity for low-income patients.

57'510
underserved
patients
treated in
India



BroadReach is a healthcare solution company combining consulting services with proprietary, AI-powered Vantage technology to transform health systems outcomes. The solution ensures transparency among healthcare professionals, allowing for significantly improved allocation of funding as well as increased efficiency and effectiveness to the most pressing health challenges in emerging economies.

4.5m
incremental
patients
treated in
Africa



Goodlife is East Africa's leading pharmacy chain. In areas with poor healthcare provision, difficulties with availability and affordability lead low-income people to informal pharmacies with unethical sales practices and often counterfeit products. Goodlife increases access to affordable high-quality drugs from certified manufacturers and employs qualified and trained staff to give medical advice to underserved consumers.

304'950
emerging
consumers
reached in
Africa



BlueEarth further supports the provision of quality, affordable healthcare goods and services to underserved populations across Africa and Asia through its strategic partnerships with leading impact funds such as **African Development Partners III L.P.**, **LeapFrog Emerging Consumer Fund III LP**, **Growth Catalyst Partners LLC** and **Quadria Capital Fund II LP**.

6.0m
healthcare
goods and
services
provided

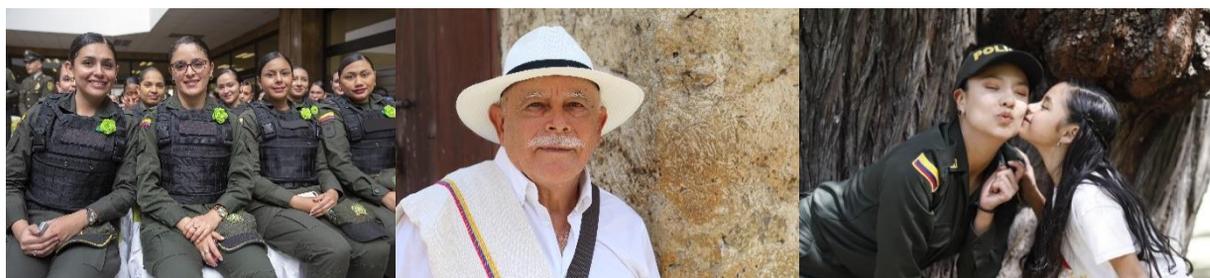


7. New portfolio investments



Bayport Colombia

Direct, Debt



Company description

Founded in 2007, Bayport Colombia ("the Company") aims to expand lending to underserved individuals who typically are unable to access financial services due to income constraints and limited credit history. With its loans, the Company allows its beneficiaries to obtain services such as education, healthcare and home improvement, or to invest in their own small businesses, providing additional income to the household. Over time, borrowers build a credit history which gives them a pathway to cheaper and more comprehensive financial services.

Bayport Colombia has become a leading credit provider in the country, serving over 62'000 customers through its 17 branches.

Social challenges

Financial inclusion in Colombia is rising but remains low, meaning that many of those who are excluded from the financial system are unable to access basic services such as healthcare and education, generate additional income (through entrepreneurial activities), or to adequately respond to emergencies.

According to the World Bank, c. 55% of Colombians do not have a bank account (c. 10% below the Latin America average). While 41% of Colombians borrow money at least once a year, half of them turn to informal sources given a lack of access to quality, affordable financial products.

Target impact

- Increase access to affordable and transparent credit products for underserved populations.
- Improve education, health, and housing standards of clients and reduce their vulnerability to shocks.

Note: There is no assurance that target impacts will be achieved. The KPI calculation is based on BlueEarth' impact methodology. Bayport Colombia data is as of 31 December 2020.
Source: BlueEarth, Bayport Colombia.

Key investment data

Geography	Colombia
Investment date	December 2020
Sector	Inclusive Finance
Investment	USD 20.0m
Asset class	Direct, Debt

Impact KPIs

	Initial	2020
# of clients	n.a.	62'330
% of female borrowers	n.a.	27%
# of employees	n.a.	298
BlueEarth contribution	n.a.	n.a.

Key SDGs supported





Company description

Based in Kampala, Uganda, Tugende ("the Company") provides financing to micro-entrepreneurs in East Africa and helps clients to own an income-generating asset. Tugende's core product helps to fund motorbike taxi (known as "boda-boda") purchases for drivers who would normally rent the vehicles they ride. Its financing packages feature insurance, safety equipment and training. Tugende differentiates itself via high-touch customer service, technology-driven efficiency, affordability and delivery speed.

In 2020, BlueEarth provided a mezzanine facility to Tugende to support the Company's geographical expansion across East Africa. The financing was disbursed at a critical point through the COVID-19 pandemic as a bridge to the closing of the Series A equity financing round.

Social challenges

Lack of transportation is one of Uganda's greatest obstacles for economic development, while high unemployment and exclusion from financial services compounds a lack of opportunity for low-income individuals.

Target impact

- Increase earning potential and net worth of customers through providing access to asset ownership and entrepreneurship.
- Increase access to affordable financial products for low-income individuals in East-Africa through transparent financial products, including life and medical insurance.

¹ Includes USD 5.0m senior debt investment from December 2018.

Note: There is no assurance that target impacts will be achieved. The KPI calculation is based on BlueEarth' impact methodology. Tugende data is as of 31 December 2020.

Source: BlueEarth, Tugende.

Key investment data

Geography	Uganda, Kenya
Investment date	March 2020
Sector	SME Growth / Job Creation
Investment	USD 2.0m
Asset class	Direct, Mezzanine

Impact KPIs

	Initial	2020
# of active leases	8'232	26'787
# of employees	187	480
BlueEarth contribution	20.4% ¹	26.1% ¹

Key SDGs supported



African Development Partners III

Primary, Equity



Company description

African Development Partners III ("ADP III") provides equity capital to high-growth businesses in Africa, that cater to the emerging middle-class consumer, across countries and sectors including financial services, healthcare as well as food and agriculture.

Social challenges

Unemployment rates in ADP III's target geographies in North and Sub-Saharan Africa are above the average global unemployment rate of 5% and many jobs are low quality and lacking labour protections. Additionally, gender disparities persist, creating negative consequences for women and society. Estimates by the International Monetary Fund suggest that fully integrating women into the continent's labour force and economy leads to an average 35% increase in GDP.

Target impact

- Job Growth and Job Quality: with a target across the portfolio over the fund life of 20% annual net new job creation or over 17'000 total jobs created¹, seeking to ensure workers have "fulfilling" work that pays a living wage
- Gender: Commitment to investing with a gender lens. ADP III has been chosen as the first 2X Challenge² Flagship Fund.
- Climate Change: ensuring that portfolio companies come in line with best practice global sustainability standards, preventing or mitigating, where possible, negative impact on the environment and contribution to climate change.
- Additional SDG relevant impact in impact sectors including healthcare and food & agriculture.

Key investment data

Geography	Africa
Investment date	June 2020
Sector	SME Growth / Job Creation
Investment	USD 10.0m
Asset class	Primary, Equity

Impact KPIs

Impact KPIs	Initial	2020
# of permanent staff	n.a.	1'173
% female permanent staff		11%
% companies with formal climate change policy	n.a.	33%
# of farmers served	n.a.	1'400
BlueEarth contribution	n.a.	1.4%

Key SDGs supported



¹ BlueEarth internal targets ² Further information on the 2X Challenge can be found [here](#).

Note: There is no assurance that target impacts will be achieved. The KPI calculation is based on the BlueEarth' impact methodology. Source: African Development Partners, BlueEarth as of 31 December 2020.

Northern Arc India Impact Fund

Primary, Debt



Company description

Northern Arc India Impact Fund ("the Fund") provides senior and subordinated debt to Non-Bank Financial Corporations ("NBFCs") across a range of financial inclusion sectors such as Microfinance, Micro, Small and Medium Enterprises ("MSMEs") Finance, and agricultural lending in India.

BlueEarth alongside Anthos Asset Management and Calvert Impact Capital acted as anchor investors of the Fund. BlueEarth co-developed various aspects of the structure - India's first financial inclusion debt fund offering hedging services. The Fund is expected to be activated soon with NBFCs, hedge rates and the interest rate markets witnessing stabilization post the initial COVID-19 wave.

Social challenges

The lack of adequate documentation and the challenges faced by formal banking platforms in underwriting small tickets have resulted in a large part of the Indian population having limited access to formal financial services infrastructure. c. 831 million people still lack access to formal credit sources, while c. 417 million people lack formal savings. Access to finance critically hinders the growth of MSMEs, who meet only 22% of their financing needs.

Target impact

- Increase access to financial products and services that smooth income of individuals and meet the needs of MSMEs contributing to reducing the estimated USD 0.2 trillion gap in MSME financing.
- Primarily target MSMEs and households un- or underserved by commercial banks and other formal sources of finance.

Key investment data

Geography	India
Investment date	March 2020
Sector	SME Growth / Job Creation
Investment	USD 5.0m
Asset class	Primary, Debt

Key SDGs supported



Note: There is no assurance that target impacts will be achieved. The KPI calculation is based on the BlueEarth' impact methodology. Source: Northern Arc India Impact Fund, BlueEarth as of 31 December 2020.

8. COVID-19 response: notable investments





Company description

BroadReach is a healthcare solution company, combining consulting services and a technology offering to improve the effectiveness of healthcare provision in emerging economies. BroadReach partners with a range of healthcare program implementers including the government of South Africa and USAID. By implementing the AI-driven Vantage platform, clinicians and managers are empowered with the necessary information and step-by-step guidance to provide high standards of care consistently and at scale.

COVID-19 impact

South Africa was, the hardest-hit African country with local hospitals overwhelmed due to the public health crisis, and increased vulnerabilities for large numbers of co-morbid patients with HIV, malaria and TB. BroadReach continued to operate through lockdowns, with staff working on the front-line, and exposed to the virus, as a crucial part of the pandemic response.

COVID-19 response

- **Vantage diagnostics:** BroadReach's AI solutions gave municipal and national leadership in South Africa real-time information and action recommendations on resource allocation to respond to the rising pressure.
- **COVID-19 app:** BroadReach created an app to help provide data-driven analysis to enhance response programs, from tracking community screening (over six million people screened) and facility readiness, to monitoring workforce wellness.
- **"COVID-19 Brigade":** BroadReach staff went door-to-door to perform COVID-19 tests and gather life-saving data.

Key investment data

Geography	Africa
Investment date	September 2017
Sector	Healthcare
Investment	USD 4.0m
Asset class	Direct, Mezzanine

Impact KPIs

	Initial	2020
# of additional HIV patients treated	80'631	549'249
# of additional malaria patients treated	596'332	3'963'370
# of programs	5	9
BlueEarth contribution	10.0%	10.0%

Key SDGs supported



Note: The KPI calculation is based on BlueEarth' impact methodology. Source: BroadReach, BlueEarth as of 31 December 2020.



Company description

Goodlife ("the Company") is a retail pharmacy chain in East Africa focused on increasing access to high-quality drugs and health advice for underserved consumers. The Company is actively expanding its convenience-store network amongst other initiatives to increase penetration among low-income or "emerging" consumers.

COVID-19 impact

As a provider of essential goods, all pharmacies were exempt from the national lockdowns in Kenya. However, the pharmacy sector saw disruptions given high import reliance in Africa, and severe supply chain disruptions due to movement restrictions, leaving both large and small stores vulnerable to running out of stock.

Goodlife experienced changing consumer behaviour, with high demand for personal health and hygiene products due to stockpiling, as well as reduced footfall in urban centres, increased activity in suburban store locations and higher demand for digital solutions.

COVID-19 response

- **Inventory management:** in line with its strong supply chain and inventory management policies, Goodlife stocked sufficient inventory prior to the lockdowns to ensure customers would not be exposed to the supply chain disruptions witnessed in the broader pharmacy sector in Kenya.
- **Digital solutions:** Goodlife accelerated its newly initiated online offering, enabling a WhatsApp ordering service, and making sales through Jumia – to continue to provide essential healthcare goods to customers who were unable to safely travel to stores.

Key investment data	
Geography	East Africa
Investment date	October 2016
Sector	Healthcare
Investment	USD 5.0m
Asset class	Direct, Equity

Impact KPIs	Initial	2020
# of emerging consumers served	159,635	780,904
# of pharmacies	23	70
# of employees	172	325
BlueEarth contribution	14.5%	7.2%

Key SDGs supported

3 GOOD HEALTH AND WELL-BEING

10 REDUCED INEQUALITIES

Note: The KPI calculation is based on BlueEarth' impact methodology. Source: Goodlife, BlueEarth as of 31 December 2020.

Varthana

Direct, Debt



Company description

Founded in 2012, Varthana Finance Private Limited (“Varthana”) is a leading non-bank financing company that lends specifically to affordable private schools. The firm's mission is to increase access to quality education in low-income communities.

Varthana has active loans with over 3'200 schools teaching c. 3.9 million students and employing over 129'500 teachers.

COVID-19 impact

In India, the government-imposed lockdown resulted in broad school closures across the country. Tuition has been limited to online channels, which are not widely used by Varthana’s client base due to a lack of digital access. School closures may further exacerbate inequalities given the limited access to e-learning.

COVID-19 response

- **Digital Content Solutions:** Varthana partnered with e-content providers such as Khan Academy and Toppr to provide over 1'250 schools with materials for weekly classes via WhatsApp.
- **Digital Solution Suite:** Varthana developed a certification course to help teachers adapt to online teaching and launched a five-week multi-lingual parent engagement campaign to raise awareness of remote learning WhatsApp content.
- **Unlock School Programs:** Varthana developed an in-house content solution to physically deliver printed workbooks to schools without adequate digital infrastructure.

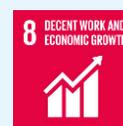
Key investment data

Geography	India
Investment date	December 2019
Sector	Education
Investment	USD 8.0m
Asset class	Direct, Debt

Impact KPIs

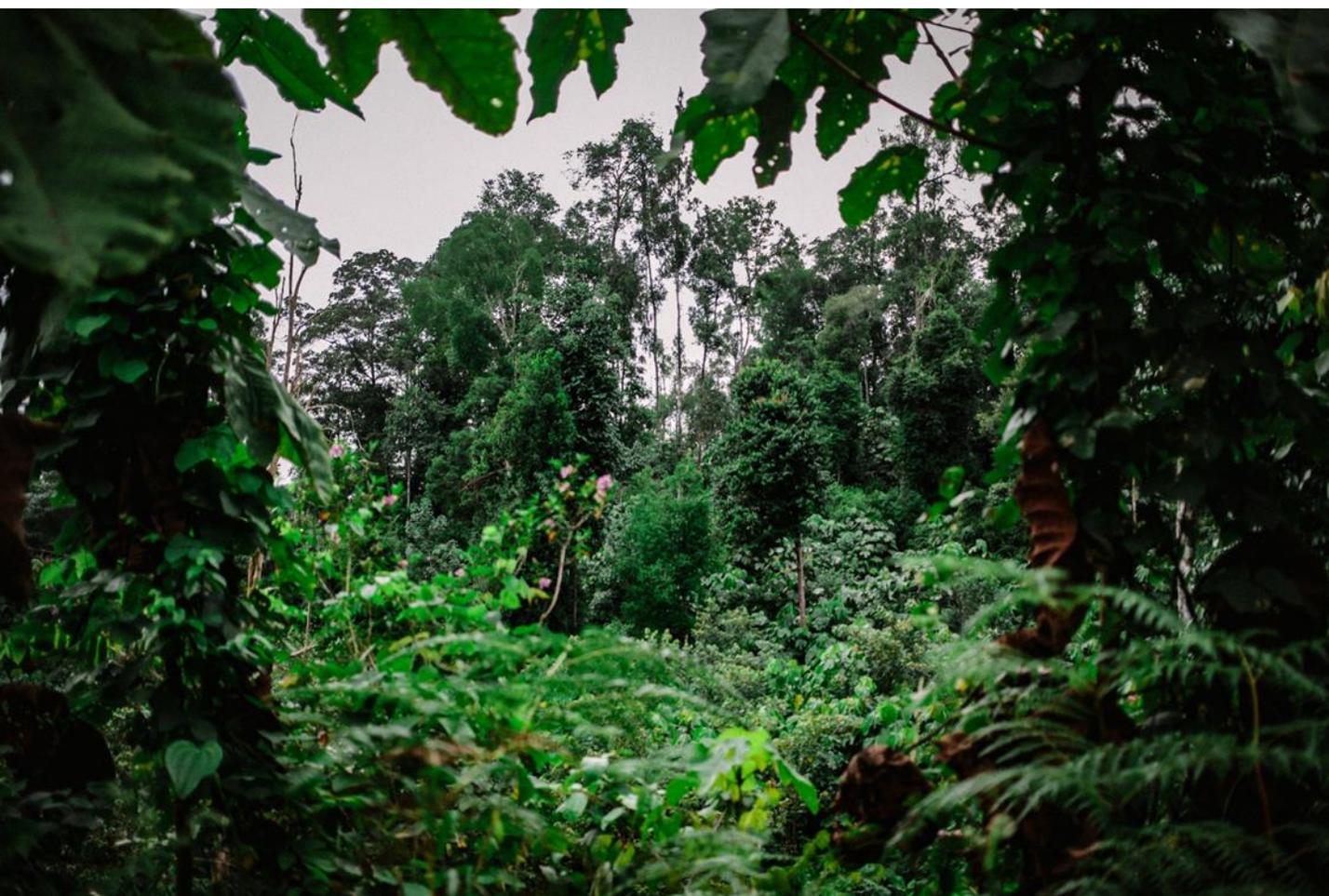
	Initial	2020
# of schools served	3'694	5'907
# of students served	3'648'185	3'858'893
# of teachers employed	122'336	129'520
BlueEarth contribution	4.3%	4.9%

Key SDGs supported



Note: The KPI calculation is based on BlueEarth' impact methodology. Source: Varthana, BlueEarth as of 31 December 2020.

9. Appendix



Appendix: Impact track record

	2016	2017	2018	2019	2020
PG Impact Investments I L.P.					
Lives Touched	78'166	1'171'523	2'192'803	3'778'466	4'019'637
Local Jobs Provided	130	222	300	1'308	1'303
Clients Financed / Served	4'683	19'843	34'185	61'079	69'578
Farmers Supported	308	657	865	1'041	1'320
Households Electrified	n.a.	157'126	318'994	500'553	500'553
Housing Units Financed	13	189	272	376	409
Healthcare Services Provided	24'378	137'005	263'651	487'117	525'313
Students Served	n.a.	n.a.	n.a.	n.a.	95'417
Rest of platform¹					
Lives Touched	n.a.	n.a.	4'256	23'186	128'544
Local Jobs Provided	n.a.	n.a.	16	339	420
Clients Financed / Served	n.a.	n.a.	902	5'456	5'616
Farmers Supported	n.a.	n.a.	n.a.	19	37
Households Electrified	n.a.	n.a.	n.a.	n.a.	n.a.
Housing Units Financed	n.a.	n.a.	n.a.	n.a.	n.a.
Healthcare Services Provided	n.a.	n.a.	n.a.	n.a.	4'044
Students Served	n.a.	n.a.	n.a.	n.a.	95'417
BlueEarth platform					
Lives Touched	78'166	1'171'523	2'197'059	3'801'651	4'148'181
Local Jobs Provided	130	222	316	1'646	1'723
Clients Financed / Served	4'683	19'843	35'087	66'535	75'195
Farmers Supported	308	657	865	1'059	1'356
Households Electrified	n.a.	157'126	318'994	500'553	500'553
Housing Units Financed	13	189	272	376	409
Healthcare Services Provided	24'378	137'005	263'651	487'117	529'357
Students Served	n.a.	n.a.	n.a.	n.a.	190'834



Note: Figures above are presented for illustrative purposes only. Following receipt of additional data in 2020, 2019 metrics are re-stated and thus may not reconcile with reporting in 2019.

¹ Includes investees of vehicles managed by Blue Earth Capital AG other than PG Impact Investments I L.P.

Source: BlueEarth as of 31 December 2020.

Appendix: Impact measurement methodology

Data sources

BlueEarth leverages internal and external data sources to measure the impact reported in the Annual Impact Report. Investee impact metrics included within the Annual Impact Report are based on information provided by the portfolio companies or calculated using reasonable internal estimates by BlueEarth.

Most investee data is self-reported, through custom or standard reporting required by the legal documentation. Portfolio companies utilize estimation techniques and proxy indicators where appropriate and in accordance with best practices.

For the purposes of environmental impact reporting, BlueEarth utilizes investee self-reported GHG emissions, where the data is provided with sufficient detail on the calculation methodology. BlueEarth estimates GHG emissions based on the GHG Protocol guidance, where investee data is not fully available.

As output metrics aim to reflect performance in the investees' calendar year 2020, the majority of the data is as of 31 December 2020. However, some metrics presented are based on the latest information available at the time of publication or reasonable extrapolations by BlueEarth.

Portfolio impact

Although the contribution approach (e.g. an investor holds 10% stake in an SME lender that makes financial services accessible for 10'000 SMEs – therefore, the investor states that through its intervention it supports 10'000 SMEs) is a common practice in impact investing, BlueEarth believes that this methodology does not fairly reflect the actual impact generated by the investor's capital and it leads to overstating of the results. Therefore, BlueEarth calculates the pro-rata impact that is attributable to its share of capital invested relative to each investee's total capitalization. Of note, for fund investments, BlueEarth calculates its attribution on a "look-through" basis (i.e. tracking impact KPIs on a portfolio company basis).

While the funding provided by BlueEarth represents a crucial portion of the portfolio companies' financing, it is important to note that this impact was not financed solely by BlueEarth' capital and BlueEarth does not "take credit" for the full impact reported in this report.

Data presentation

Unless specified otherwise throughout the report, the impact metrics attributable to BlueEarth refer to the data for BlueEarth platform (i.e. consolidated data for PG Impact Investments I L.P. and other vehicles managed by Blue Earth Capital AG).

Following a revision in methodology in 2019 and receipt of additional data in 2020, historical metrics are re-stated and thus do not reconcile with the previous Annual Impact Reports.

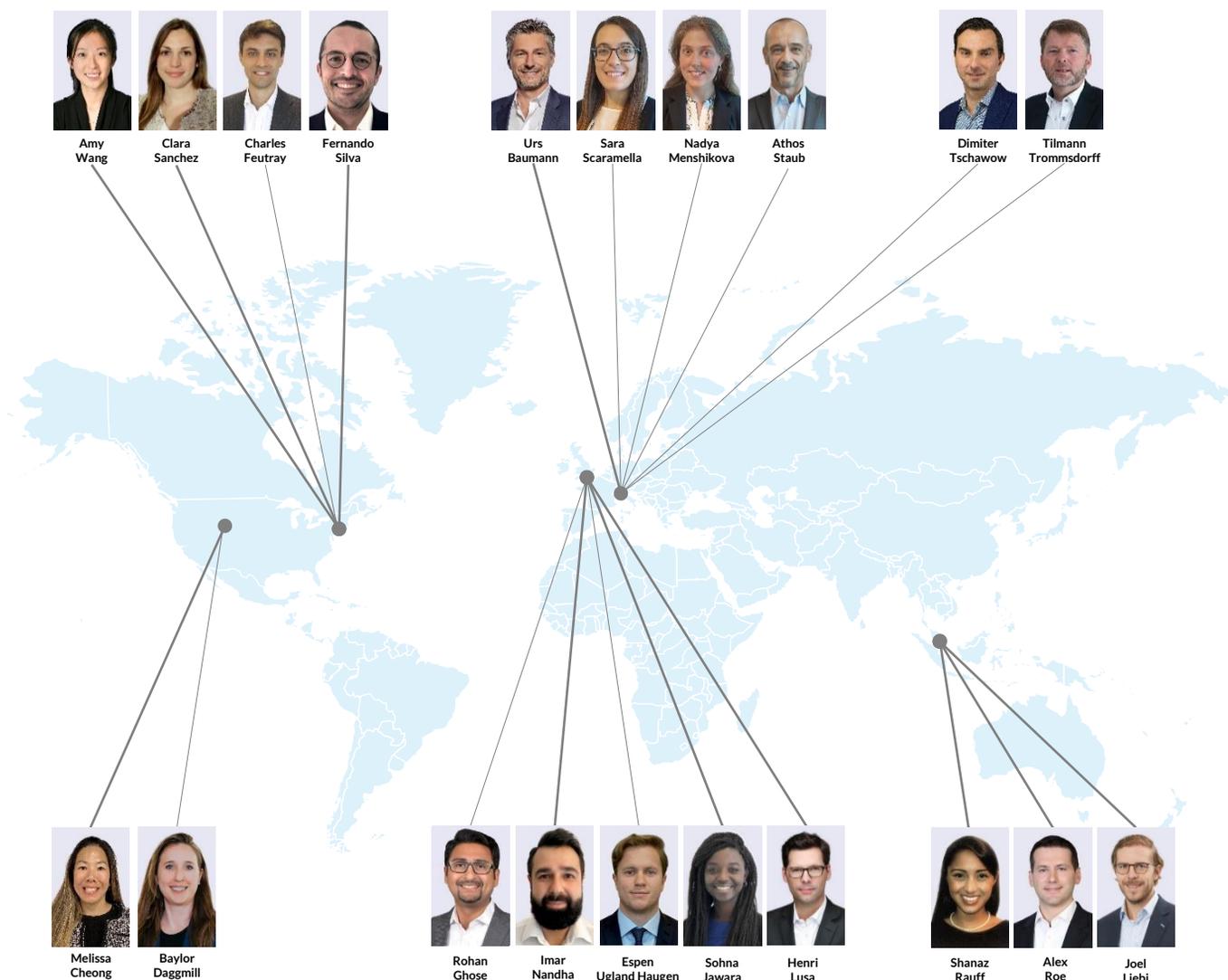
Limitations

The majority of impact KPIs are presented at a given point in time – this approach is not fully reflective of the impact generated over time.

The impact reported on behalf of BlueEarth' portfolio companies is not a full picture of the impact they had on the environment, in the communities they serve, and in the markets they operate in.

tCO₂e statistics represents fifteen investees with one net carbon-absorbing asset excluded due to data insufficiency.

Appendix: Our investment team



Investment team

- Amy Wang, Head of Private Debt
- Sara Scaramella, Head of Private Equity
- Clara Sanchez, Investment Manager
- Shanaz Rauff, Investment Manager
- Alex Roe, Investment Manager
- Rohan Ghose, Investment Manager
- Imar Nandha, Investment Manager
- Charles Feutray, Associate
- Espen Ugland Haugen, Associate
- Fernando Silva, Associate
- Nadya Menshikova, Associate
- Sohna Jawara, Associate

Investment committee

- Urs Baumann, Co-Founder & CEO
- Tilmann Trommsdorff
- Melissa Cheong
- Baylor Daggmill¹
- Joel Liebi¹
- Henri Lusa¹
- Dimiter Tschawow¹

Impact & Value Creation

- Athos Staub, Head of IVC

Client solutions

- David Keel, Head of CSOL
- Julia Wicklein, CSOL Europe

Operations

- Samuel Hopkins, CEO Office Manager
- Claudia Hunter, Assistant
- Lena Kulac, Assistant

BlueEarth ML board of directors²

- John Hallam
- Justin Sykes
- Rupert Dorey
- Urs Baumann

BlueEarth (Lux) board of directors³

- Claude Noesen
- Robert Brimeyer
- Urs Baumann

¹ Investment committee members acting as specialists for their respective asset classes.

² Blue Earth Capital (Guernsey) GP Ltd. (General Partner of Guernsey-based funds and mandates).

³ Blue Earth Capital (Luxembourg) GP SARL (General Partner of Luxembourg-based funds and mandates).

Note: The pictures show only members of the Investment Team, Investment Committee and Impact & Value Creation.

Source: BlueEarth as of 31 March 2021.

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We are a global impact investment firm backed by Partners Group, one of the largest private markets investment managers in the world. BlueEarth was founded in 2015 with the vision that private investment, innovation and entrepreneurial talent can bring sustainable growth and provide solutions to the challenges facing our society. We serve an international clientele of professional investors who seek investment solutions that offer financial returns, while also helping to address pressing social or environmental challenges. Our origin dates back to 2006, when Partners Group established its employee-backed foundation PG Impact in the wake of the 2004 Asian Tsunami. Since then, Partners Group has conducted many impact investments through this foundation and, in 2015, decided to institutionalize its impact investing practice through the creation of BlueEarth.

While remaining independent from Partners Group, BlueEarth entities have full access to the global infrastructure, investment know-how and specialist resources of Partners Group. All profits from our business activities are transferred to our Blue Earth Foundation to support philanthropic activities.