

# 23 Annual Impact Report

Making a world of difference



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Stephen Marquardt, CEO

#### Welcome to our 2023 Impact Report.

The past year underscored the complex issues facing our world and the need to find impactful solutions. At BlueEarth, we view global challenges as a call to action and reinforcing our mission to invest in enterprises driving change. That's why we provide growth capital and support to companies that aim to address some of the world's biggest and most urgent challenges.

Here at BlueEarth, 2023 was a year of great opportunity and accomplishment. We achieved a number of significant milestones, including:

- Surpassing USD 1bn Assets Under Management (AUM) of commitments dedicated towards impact;
- Closing our second credit strategies fund and our inaugural climate growth fund, both above target despite the challenging fundraising environment;

- Developing our emerging markets secondaries strategy and laying down the groundwork for the first ever secondary transaction with a development finance institution (DFI), which closed in Q1 2024;
- Being recognized by BlueMark as having best-in-class impact management practices, earning us a spot on their Practice Leaderboard;
- And, as always, having the support and backing of the Blue Earth Foundation, our sole owner which protects the impact mission of Blue Earth Capital and focuses on deep impact to support initiatives and business ventures that help deliver a more equitable and sustainable future with the profits it receives from us.

Above all, I am proud of the strong impact we achieved in 2023. True to our nature as a pure-play impact investor, we remained laserfocused on our core purpose of delivering measurable social and environmental impact at scale. BlueEarth has now committed \$830M<sup>1</sup> of capital to companies that support

In aggregate, from inception to end of 2023

True to our nature as a pure-play impact investor, we remained laser-focused on our core purpose of delivering measurable social and environmental impact at scale."



inclusive growth, provide access to essential services, and deliver climate action. In 2023 our portfolio has supported over 46 million individuals across financial inclusion, agriculture, healthcare, and education, of which over 1 million can be attributed to the capital that BlueEarth has provided, whilst our deployment to innovative climate solutions continues to scale rapidly across all investment strategies. To learn more about our strong impact this year, don't miss Our impact in 2023 and case studies showcasing six great businesses that we've invested in: Tyme Group, Pursuit, CarbonCure, AMP, Horizon, and ProCredito.

None of this would have been possible without the dedication, passion, and commitment of the BlueEarth team. I would like to thank them for all their hard work, rigor, and pursuit of excellence. Across all our offices and functions, the team is united by the shared commitment to addressing some of the world's biggest challenges, and is doing so to deliver total impact. Our Total Impact approach is what makes us unique, bringing together

scale, breadth, and a strong track record. To learn more about what makes us who we are, see what our associates have to say about working at BlueEarth.

We are honored to be managing investments for over 100 individual and institutional investors, many of whom have been with us from the very beginning, and alongside others who are venturing into impact investing for the first time by partnering with us. All our investors seek positive impacts alongside attractive and sustainable financial returns, and we are proud of our track record in delivering this.

I hope you enjoy this report.

Stephen Marquardt

Man

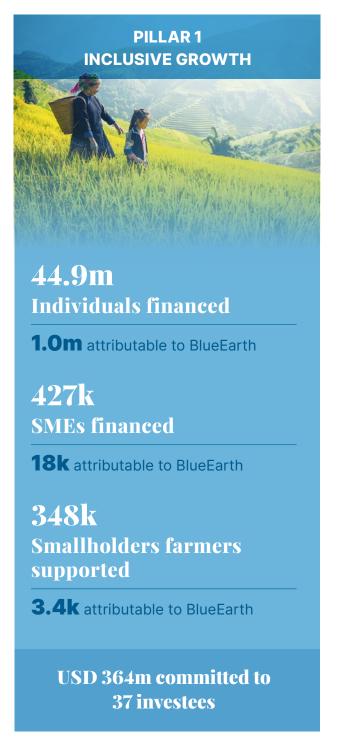
CEO

Blue Earth Capital AG

# **Our 2023 Impact Highlights**

We deliver impact across three core pillars







876k **Students supported** 

**26k** attributable to BlueEarth

1.8m **Patients served** 

118k attributable to BlueEarth

136m Healthcare products sold

**4.5m** attributable to BlueEarth

57k **People housed** 

**1.3k** attributable to BlueEarth

**USD 126M committed to** 16 investees



tCO2e GHG emissions avoided

**36k** attributable to BlueEarth

55k

**Metrics tons of waste** avoided

3.5k attributable to BlueEarth

135m **Cubic meters of** water saved

**61m** attributable to BlueEarth

**USD 191M committed to** 11 investees

For a deep dive on all our impact results, please refer to section 5.





# **USD 1.21 Billion** AUM

**Total assets under management** at the end of 2023.

48 Employees

At date of publication. (June 2024)



Offices

In Switzerland, UK, USA and Germany.

79 **Impact** Investments Closed

Since inception in 2015, including exited investments.





#### Introduction

BlueEarth is an independent, specialist global impact investment manager, headquartered in Switzerland with operations in New York, London, and Konstanz.

We address the world's most pressing social and environmental challenges, aiming for measurable impact alongside attractive, market-rate financial returns<sup>3</sup>. The company operates dedicated private equity (directs and co-investments), private credit, and fund solutions (primaries and secondaries) with active, hands-on portfolio management, and together, these complementary strategies allow us to back the right companies with the optimal solutions to help them maximise their impact.

#### Unique ownership structure with impact multiplier

BlueEarth has a unique governance structure which acts as a multiplier for the impact that we generate as a firm. Blue Earth Capital AG is fully owned by the Blue Earth Foundation, a Swiss Stiftung (notfor-profit charity/trust) that protects the impact mission of BlueEarth. BlueEarth's profits, including carried interest, are recycled via the foundation to support philanthropic activities. The Foundation focuses on deep impact to support initiatives and business ventures to help deliver a more equitable and sustainable future.

#### **Recognition and Awards**

Winner: Limited Partner of the Year (Impact Investing) -2023 in New Private Markets' inaugural Global Awards, which work to recognize leaders in the impact investing space

New Private Markets AWARDS 2023 Limited Partner of the Year (Impact Investing)



Practice Leader in Impact Management: BlueMark 2023 Practice Leaderboard

Impact 50: New Private Market's list of 50 biggest impact managers globally in 2023





ImpactAssets 50: Included in ImpactAssets latest showcase of experienced impact managers

"BlueEarth has a unique governance structure which acts as a multiplier for the impact that we generate as a firm."





# BlueEarth manages funds and customized mandates aiming to achieve social and/or environmental impact alongside market rate returns.

The Integrated Global Impact strategy, focused on both emerging and developing markets, is BlueEarth's flagship strategy. This strategy is broadly diversified and follows an integrated, multi-asset, relative-value investment approach. It invests across multiple impact sectors and asset classes (equity, credit, mezzanine) through funds and direct investments from both our Private Credit and Private Equity Partnerships teams. Private Equity Partnerships comprises primary, secondary and co-investments across developed and emerging markets in social and environmental impact sectors, working in partnership with world-class investment managers.

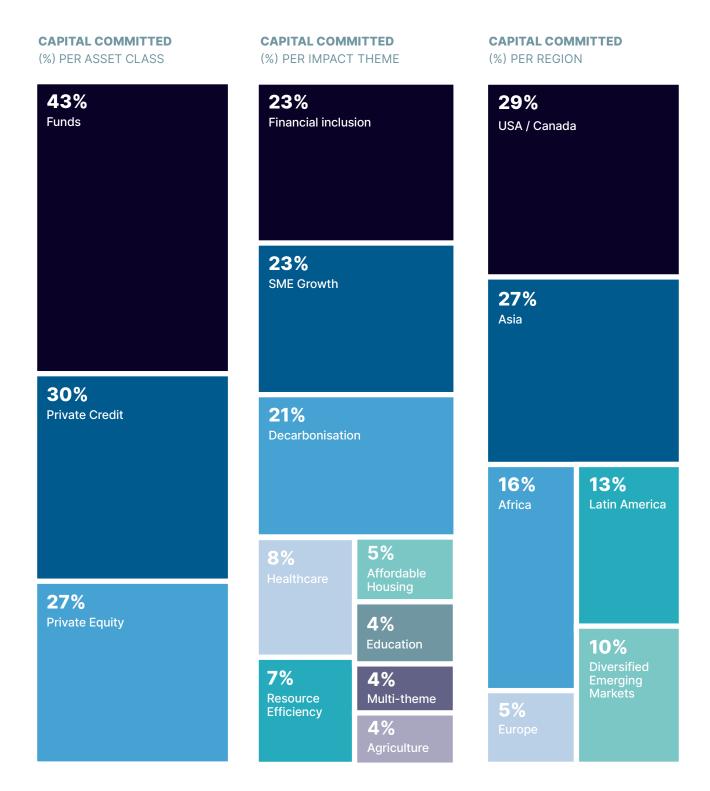
The Private Credit Impact strategy, focused predominantly on social/environmental impact in emerging markets and developed markets, follows a global, relative-value investment approach, investing across all impact sectors. Most of the investments are likely to be structured as senior secured debt with a portion of the portfolio in subordinated, mezzanine or equity-like debt. The impact strategy aims to: (i) Increase financial inclusion, (ii) Provide access to essential products and services, (iii) Create jobs and economic growth, and (iv) Address climate change and protect the environment.

The Private Equity Climate Impact strategy, focused on developed markets, is BlueEarth's first climate-specific strategy focusing on growth equity investment opportunities in companies addressing climate change in the 'missing middle', between venture and buyout. The investment strategy provides growth capital and support to businesses that deliver climate solutions and accelerate the net zero transition across the following key themes: (i) Energy transition ecosystem, (ii) Buildings and mobility, (iii) Climate intelligence, (iv) Production and consumption, and (v) Food and agriculture.

Bespoke solutions are BlueEarth's tailored capabilities that aim to better serve the unique needs and objectives of institutional investors. The team of experienced investment professionals take a highly collaborative approach, working closely with the investors to craft separate managed accounts that are aligned with their impact horizon, risk tolerance, and return expectations. Bespoke mandates leverage BlueEarth's deep industry expertise and extensive proprietary network in line with its global impact investment strategy and deployment opportunities, proposing a broadly diversified impact portfolio that can invest across multiple impact sectors (social and climate) and asset classes (equity, credit, mezzanine), regions (emerging and developed markets), and different transaction types (funds, co-, and direct investments).



The figures below show how BlueEarth's current portfolio is distributed per financial instrument, impact theme, and geography, based on capital committed to existing portfolio companies as at December 31, 2023. This highlights the breadth and diversification of our investment portfolio across each category.





# Interview with Urs Wietlisbach, Chairman and **Founder of Blue Earth Capital**

#### **About Blue Earth Foundation**

The Blue Earth Foundation, a registered Swiss charity (a Stiftung), is the sole owner of Blue Earth Capital. This legal structure serves to protect and maintain the impact mission of Blue Earth Capital. Profits from Blue Earth Capital are transferred to the Foundation to enable it to support initiatives that help deliver a more equitable and sustainable future and facilitate a unique, total impact approach.



#### **Urs Wietlisbach**

Mr. Wietlisbach co-founded Partners Group in 1996 and Blue Earth Capital in 2015. He is a member of Partners Group Holding AG's board of directors and Chairman of the Board at Blue

Earth Capital, based in Zug. He has 30 years of industry experience and has been an active impact investor since 2014.

"It's about demonstrating the ability to deliver the right impact and returns in tandem, which can then mobilize much larger pools of institutional capital to deliver impact on a much greater scale."



#### What motivated you to found Blue Earth Capital in 2015?

Having previously established the Ursimone Wietlisbach Foundation with my wife, we made the decision that 100% of the Foundation's capital should be committed to impact investments that would address the most pressing social and environmental challenges globally. I wanted to be a catalyst, attracting wider pools of capital to the market without compromising impact. I couldn't find an impact investment firm that could do what I envisioned, so I decided to start my own.

BlueEarth could have been structured as a standalone asset management firm. Yet, it is set up to be fully owned by the Blue Earth Foundation. What drove that decision?

I wanted BlueEarth to be here to stay, to exist beyond me. I wanted to protect its mission, and to never be in a situation where BlueEarth had pressure to grow aggressively or be acquired by a non-impact focused firm which would risk mission alignment. At BlueEarth, we look at how we can help scale and improve the wider impact investing sector. For us, it's not about growth at all costs, it's about demonstrating the ability to deliver the right impact and returns in tandem, which can then mobilize much larger pools of institutional capital to deliver impact on a much greater scale.



#### What makes BlueEarth unique?

So many things! First and foremost, it is our people. We are a true impact firm with a dedicated and passionate global team, for which I am truly grateful. Second, given our ownership structure, the Foundation oversees what the asset management side does, which eliminates the risk of impact washing. There is so much greenwashing these days that it's reassuring for BlueEarth's investors to know that this is not a risk they should ever be concerned with. And, third, our business comprises some of the best bits of the Partners Group DNA, which helps instil the institutional rigor and best-in-class investment processes from one of the world's leading private markets investors. Our Board and Investment Committees include those who previously held senior positions at Partners Group, and support BlueEarth because they are strongly committed to its mission.

#### BlueEarth has been at the forefront of impact investing and impact management. What drives BlueEarth's commitment to excellence?

Leadership and excellence are two of our core values. It's who we are. We take our fiduciary duty seriously. Our first question is always: is this potential investment impactful? Of course, it has to make sense on the financial side, but the impact has to be there, always. As I said earlier, the commitment and excellence of our people have really driven us to operate at the cutting edge. We were one of the first private market asset managers to integrate findings from the Impact Management Project, Impact Reporting and Investment Standards (IRIS), and the United Nations' (UN) Sustainable Development Goals (SDG) back in 2018. In 2020, we became one of the early signatories of the Operating Principles for Impact Management

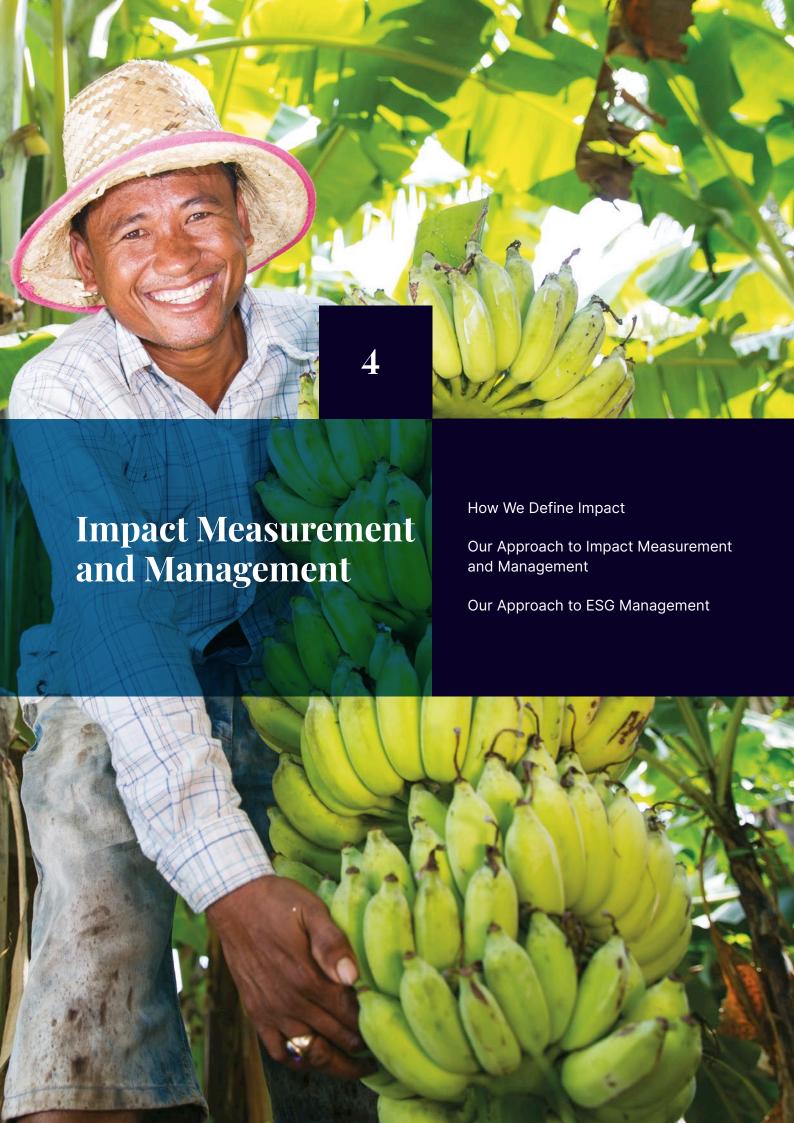
(OPIM). And, in 2023, we were recognized by BlueMark as a Practice Leader. It fills me with pride to see the BlueEarth journey so far and to have this additional validation from leading industry stakeholders. Let's be very honest though about what lies ahead: we are a growing organization and while we have much to be proud of, we are just at the start of our efforts in tackling some of the world's most critical challenges.

#### Looking forward, what are your hopes for the impact investing market in the next 5-10 years?

I hope that impact investing becomes normal asset allocation. I would like to see pension funds and institutional capital becoming a key funding source. I believe in capitalism and entrepreneurship – but in their current form, these leave a lot of people behind. Impact investing draws on the positive elements and focuses them towards helping those facing significant challenges. With the right financing, structure and support, impact investing can mobilize capital and expertise towards meeting the world's most pressing social and environmental challenges, and that is what BlueEarth is all about.

#### Any final thoughts?

I would like to thank the many colleagues, staff, and partners who made 2023 another strong year for BlueEarth. I'm extremely grateful to my fellow Board of Trustees, Board of Directors and Investment Committee members who ensure impact is always our north star, while achieving sustainable growth and returns; and to the BlueEarth teams who are hardworking, honest, caring, and passionate, putting their hearts and minds into everything they do so that we can continue to advance our mission of creating longlasting social and environmental impact.





# **How We Define Impact**

BlueEarth's purpose is to address the world's most pressing social and environmental challenges by delivering measurable impact alongside attractive and sustainable financial returns. To that end, we have identified three core impact pillars that guide all our investment decisions:

- Inclusive Growth
- Access to Essential Services
- Climate Action

Each of our investments aims to achieve specific outcomes in one or more of our three core pillars. Under each pillar we have defined a set of key impact metrics that helps us to understand the impact performance of each individual investment as well as our aggregate performance by pillar (see Appendix B for our full set of metrics). Please refer to Section 5 of this report for more details on our 2023 impact performance across each of our pillars.



- Kate Raworth, <a href="https://www.kateraworth.com/doughnut/#">https://www.kateraworth.com/doughnut/#</a>
- 2021 Findex, https://www.worldbank.org/en/publication/globalfindex

#### **Inclusive Growth**

We believe economic growth is essential for building a more sustainable future to meet the needs of all, providing universal access to the 12 dimensions of the social foundation which are enshrined within the SDGs, whilst also staying within the means of the planet under the nine planetary boundaries of the environmental ceiling (Raworth, 20174). To achieve inclusive growth, we have identified three key subthemes, and investible solutions in these themes:

#### Financial Inclusion:

- The Challenge: The World Bank estimates that 1.4 billion adults remain unbanked worldwide5, meaning they lack access to basic financial services that could lead to improved financial health and stability. These individuals are often women, poorer, less educated, and/or living in rural areas, and can be difficult to reach because of challenges in building up infrastructure, amongst other reasons. Financial inclusion is essential for individuals to access economic resources such as savings, credit, and insurance, which helps them to invest in productive assets, smooth income fluctuations, protect against unforeseen events, and accumulate wealth over time.
- Our Solutions: We invest in institutions offering responsible and affordable financial services to underserved populations (including microentrepreneurs, students, and first-time home buyers). Next to this, we invest in companies applying technology to traditional business models and helping to broaden access to financial services and reduce transaction costs.

#### SME growth:

- The Challenge: Small and medium-sized enterprises (SMEs) serve as the backbone of the global economy, contributing to job creation, innovation, and overall economic development. Over 40% of formal Micro, Small and Medium Enterprises (MSMEs) in developing countries lack access to formal credit, and this represents an estimated financing gap of \$5.2 trillion.
- Our Solutions: We look to offer much needed growth capital to SMEs around the globe. We partner with proven management teams to finance expansion of their small and medium businesses and/or established companies seeking to expand into new sectors or geographies. We find that these SMEs are often shut out of traditional financial markets, and our creative and tailor-made financing solutions may increase access and efficiency in this segment of the market.

#### Agriculture

- The Challenge: Agriculture is a significant contributor to gross domestic product, employment, and economic growth in many emerging economies. Smallholder farmers typically comprise between 40-85% of food producers in emerging markets<sup>6</sup>, but they lack access to best practices, technology and capital, which results in a significant yield gap, often resulting in difficulties in growing enough food to feed their families.
- Our Solutions: We invest across the entire agricultural value chain, from inclusive and sustainable agriculture businesses which provide transparency and income stability to smallholder farmers, to agricultural processors and buyers looking to deliver greater market linkage efficiency and stability of food security.

#### **Access to Essential Services**

We believe it should be a fundamental right for everyone to have access to essential services such as healthcare, education, and housing. We focus on solutions that can help provide these three basic services to underserved communities.

#### Education

- The Challenge: Education is a human right, a powerful driver of development, and one of the strongest instruments for reducing poverty and improving health, gender equality, peace, and stability<sup>7</sup>. Access to education in low-income countries is often hindered by a lack of resources and inadequate infrastructure. According to United Nations Educational, Scientific and Cultural Organization (UNESCO), at least 244 million children and youth were not attending school in 2021<sup>8</sup>.
- Our Solutions: We enhance access to quality education by financing schools to provide basic resources and high-quality education at affordable prices, offering low-cost loans to students and families from low-income groups, providing vocational training to improve the employability of low-skilled workers, and utilising technology to enhance access to affordable, quality education.

FAO, https://www.fao.org/3/cc0821en/cc0821en.pdf

World Bank, https://www.worldbank.org/en/topic/education/overview

<sup>8</sup> UNESCO, https://www.unesco.org/gem-report/en/2022-out-school#:~:text=lt%20is%20estimated%20that%20244,and%20125.5%20million%20were%20boys.

#### Healthcare

- The Challenge: The World Health Organization (WHO) estimates that over half of the world's population lacks access to essential health services, whilst 344 million people face impoverishing health spending at the extreme poverty line9.
- Our Solutions: We invest in companies offering access to healthcare services, including diagnostics and prevention, developing infrastructure, implementing innovative technologies, and expanding coverage to underserved populations in regions where adequate universal access to healthcare is lacking.

#### Affordable housing

The Challenge: The lack of affordable housing affects 1.6 billion people worldwide who are living in inadequate housing and slum settlements in both developing and developed countries<sup>10</sup>. This challenge is expected to worsen with increasing global urbanization.

Our Solutions: We provide financing for affordable housing developments that increase the supply of affordable housing, and support institutions offering inclusive mortgages and other specialized finance products to low- and middle-income households with little or no access to formal housing financial services.

#### **Climate Action**

We recognise that climate action on a global scale is necessary to respond to the climate emergency. 2023 was the 'hottest year on record by a clear margin'11. The global cost of climate change damage is estimated to be between \$1.7 trillion and \$3.1 trillion per year by 2050. This includes the cost of damage to infrastructure, property, agriculture, and human health, which particularly affects the poorest countries and is forecasted to increase over time<sup>12</sup>. With the 1.5C target seemingly slipping away, we are facing climate tipping points and an uncertain outlook. We also recognise that climate action is interconnected with many of the broader environmental and societal challenges that we face, in line with the Intergovernmental Panel on Climate Change's (IPCC) sixth assessment report which highlighted 'the interdependence of climate, ecosystems and biodiversity, and human societies.' 13

#### Decarbonization

- The Challenge: Despite the progress and positive momentum in recent years, the pace of decarbonization globally remains behind what the science tells us is required to avoid the worst impact of climate change. One of the biggest barriers is the considerable gap in capital required to deliver the net zero transition, including a lack of growth capital necessary to rapidly commercialize and scale the most promising new climate solutions.
- Our Solutions: We invest in companies that deliver measurable GHG emission reductions through products and services with materially lower carbon intensity than existing technologies, and in key enabling solutions that help to catalyze the net zero transition.

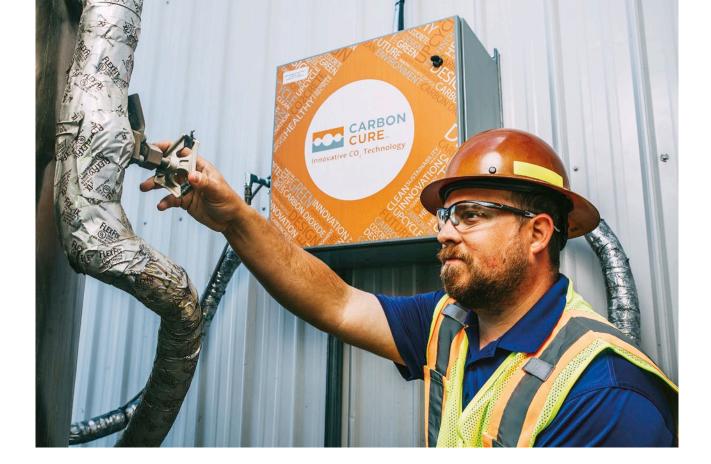
WHO, https://iris.who.int/bitstream/handle/10665/374059/9789240080379-eng.pdf?sequence=1

<sup>10</sup> UN, https://press.un.org/en/2020/soc4884.doc.htm

 $<sup>11 \</sup>qquad \text{World Meteorological Organization, } \underline{\text{https://wmo.int/publication-series/state-of-global-climate-2023}}$ 

<sup>12</sup> World Economic Forum, https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/

<sup>13</sup> IPCC, https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC\_AR6\_SYR\_SPM.pdf



#### Resilience and adaptation

- The Challenge: As the time window for avoiding significant impacts of climate change decreases, we must also increase our focus on building society's resilience to the physical impact of climate change, without detracting from continuing efforts on decarbonization.
- Our Solutions: We invest in companies that help improve society's resilience and adaptive capacity, with a primary focus on segments that will be most impacted by the changing climate, such as agriculture.

#### Resource efficiency

The Challenge: Humans are consuming ecological resources faster than the Earth can regenerate, and we are therefore depleting the finite resources on which we all depend. The global economy is underpinned by a linear take-makewaste model of consumption, which the planet can no longer support. As a result, we have already exceeded six out of the nine planetary boundaries within which humanity can continue to develop and thrive for generations to come.14

Our Solutions: We seek out investments in companies that deliver a broad range of resource efficiency impacts, with a focus on solutions that reduce consumption of resources, avoid waste, protect biodiversity, and support the transformation from linear business models towards a circular economy.

Developing the impact narrative above for each of our key impact themes is only the first step; bringing it to life entails measuring and reporting on metrics that reflect our progress in delivering on these impact objectives. See 'Metrics, Data Management and Reporting' later in Section 4 for further details on how we measure our impact, and Section 5 for an overview of the impact that our portfolio of investments delivered in 2023.

<sup>14</sup> Stockholm Resilience Centre, <a href="https://www.stockholmresilience.org/research/planetary-boundaries.html">https://www.stockholmresilience.org/research/planetary-boundaries.html</a>

"We have incorporated key impact covenants, environmental and social action plans and milestones within many of our credit agreements to help catalyze additional impact for investees during the life of a loan; and we work closely with the management teams of our direct equity investees to develop and enhance their impact strategies through the life of our investment."

#### **Our Investor Contribution**

We are a global impact investor passionate about making a difference in the world. We aim to create positive change through our investments, and take pride in our ability to leverage our experience and expertise to achieve this. We add value in the following ways:

#### **Financial Contribution**

As a financial platform, we cover a unique range of asset classes which set us apart from the rest of the market. We deploy complementary private credit, direct private equity, fund, co-investment, and secondary strategies across both developed and developing markets. This breadth of investment strategies provides the flexibility to deploy bespoke solutions when needed. Our approach to investment is based on two main strategies:

Direct investments (PE directs, PE co-investments, private credit)

We invest flexibly through both private equity and credit structures, including mezzanine facilities. Our aim is to invest in the growth of attractive enterprises with a proven business model, high development potential, and scalable social and/or environmental impact. We signal the financial and impact performance viability of impactful deals to the market, by providing agile credit in underserved markets with limited other private investors (outside of DFIs), and by bringing in additional co-investors. Increasingly we are also using innovative financial models which align incentives to the achievement of impact [for examples refer to Pursuit and ProCredito case studies]

Fund investments (primaries, secondaries)

We invest in both developed and emerging market funds managed by impact investment managers which we carefully select based on managers' expertise in specific impact themes and regions. We are sometimes the first institutional impact investor into

funds, and add value by attracting other institutional investors. As an example, BlueEarth was one of the first institutional investors in the GEF US Climate Solutions Fund II, L.P. ("GEF US II"), a US smallcap buyout environmental impact fund. BlueEarth investment in May 2023, when the fund was not yet getting traction from other investors, served as a validation of the fund to other institutional impact investors and we served as a reference to most subsequent investors. GEF US II has since reached its hard-cap of USD 325m.

#### Non-Financial Contribution

Our people share a commitment to delivering outstanding work, united by our motivation to make a meaningful contribution to addressing the world's challenges. Our team members provide hands-on support to investees in developing their approaches to Impact Measurement and Management (IMM) across all our asset classes, and we proactively engage with our investees to better understand and manage their priority Environmental, Social, and Governance (ESG) topics.

Our approach to proactive IMM engagement with investees is tailored to each asset class strategy. For example, we have worked closely with a number of our investee funds to develop their own IMM frameworks; we have incorporated key impact covenants, environmental and social action plans and milestones within many of our credit agreements to help catalyze additional impact for investees during the life of a loan; and we work closely with the management teams of our direct equity investees to develop and enhance their impact strategies through the life of our investment. We have board representation on all Private Equity (PE) investments, and seats on Limited Partnership (LP) advisory committees for many of our fund investments, which we use to actively support and help drive IMM development and focus.



# **Our Approach to Impact Measurement** and Management

#### The IMM Frontier in 2023

The impact investing industry continues to evolve rapidly with consensus, guidance and solutions for IMM strategy and system emerging<sup>15</sup>. In 2023 we have noted developments in refining IMM practices and using third-party verification against consensus and standards (OPIM, SDG Impact), right-fit use of data for decision making (Global Impact Investing Network (GIIN)/IRIS+), investor contribution (Impact Frontiers), and impact reporting (BlueMark, Impact Frontiers).

In late 2022, BlueMark published its 'Raising the Bar 2.0'16 framework for verifying completeness and reliability of Impact Reports, and in October 2023 Impact Frontiers released its consultation draft of impact reporting norms<sup>17</sup>. Noting these frameworks are still at an early stage of implementation across our industry, we support this focus on improving impact reporting practices as the logical follow-on from OPIM. In response, we have taken initial steps to refine our 2023 impact reporting process and structure.

The World Economic Forum held in January 2024 highlighted that the 'rapidly expanding impact investing world is turning to data as the lynchpin of decision-making'18 and the GIIN's 2023 IMM Practice Insight paper<sup>19</sup> noted that the 'impact investing industry is expanding from a focus on measuring impact to also using impact data to make effective portfolio decisions'. The GIIN reported that investors increasingly understand the importance of using recognised metric and data standards such as IRIS+, engaging with end-stakeholders, and comparing performance to a 'meaningful yardstick' to learn and improve performance, as well as using third party verification of data for transparency and accountability. We recognise the importance of these specific IMM practices, and have iterated our IMM system to begin to respond and continuously improve.



- 15 Developed by Impact Europe, Impact Frontiers, IRIS+, OPIM, IMP, GIIN, and others
- 16 https://bluemark.co/raising-the-bar%202/, accessed March 2024
- 17 <a href="https://impactfrontiers.org/work/impact-performance-reporting/">https://impactfrontiers.org/work/impact-performance-reporting/</a>, accessed March 2024
- 18 https://www.weforum.org/agenda/2024/01/data-impact-investing-davos24/
- $19 \quad https://thegiin.org/assets/documents/pub/2023-GIINsight/2023%20GIINsight%20\%E2\%80\%93\%20Impact%20Measurement%20and%20Management%20Practice.pdf, and the properties of th$

#### Impact in practice

Impact is at the core of what we do at BlueEarth, and our approach to IMM is a key differentiator from our peers.

To establish impact at the heart of all our decisionmaking processes, BlueEarth integrates impact considerations throughout the investment process, from deal sourcing all the way to exit. In doing so, we have aligned our operations with several industry frameworks, including OPIM, the Impact Management Project's (IMP) five dimensions of impact, IRIS+, the UN Principles for Responsible Investment (PRI), and the SDGs.



We take a learning approach, iterating our IMM frameworks and practice over time, as summarized in the timeline below:

Figure 1 - IMM Timeline

2015 Blue Earth Capital founded (as PG Impact Investments)

2016 BlueEarth Impact Fund I launched

2017 Early adopter of the IMP's Five Dimensions of Impact, becoming of the first global impact investors to embed it into our IMM framework

2018 Published our first annual **Impact Report** 

2020 • Became an early signatory to OPIM

> One of the first investors to publish external verification on our alignment to OPIM, conducted by BlueMark

Launched BlueEarth Impact Fund II and BlueEarth Credit Strategies II

2021 Launched Climate Growth Fund I

2022 Signatory to the UN-backed PRI

> Member of the ESG Data **Convergence Initiative**

2023 Reverification of our alignment with **OPIM by BlueMark** 

> Included in the 2023 BlueMark Practice Leaderboard for best-in-class impact management practices

Figure 2 - Impact is integrated throughout the investment process

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#### Sourcing

- Proactive sourcing based on impact themes and high-impact sectors
- · Focus on inherently impactful business models



#### Due diligence

- Impact assessment based on Five **Dimensions of Impact** and Logic Models
- · Assessment of BlueEarth's investor contribution
- Establishing impact KPIs and target



#### Active ownership

- · Ongoing monitoring of impact performance
- Proactively supporting investees to maximise their impact
- Internal and external impact reporting



#### **Exit**

- · Protecting impact mission beyond exit
- Post-investment review
- Feedback loop to continue evolving IMM framework

Impact considerations are fully incorporated from the outset of the investment process. This starts with active sourcing of impact investment opportunities based on our investment themes, which are developed based on our impact themes and identification of high-impact sectors, and inherently impactful business models. At the screening stage, an initial assessment is made of the investee's ability to deliver both positive financial outcomes and meaningful impact.

Only investments which demonstrate the potential to deliver attractive returns and significant impact progress to due diligence. BlueEarth has a rigorous due diligence process that determines the potential impact of investments. To ensure alignment with the SDGs, we develop a logic model for each investment that links the investments outputs to outcomes and impacts that are aligned to Sustainable Development Targets. During this phase, a comprehensive impact assessment is undertaken, which is underpinned by the Five Dimensions of Impact developed by the IMP<sup>20</sup> and integrated into a proprietary impact scoring tool. This tool assigns weightings to various impact attributes and helps us maintain objectivity when comparing investments across different sectors.

A comprehensive impact assessment is undertaken for every potential investment. This assessment is underpinned by the Five Dimensions of Impact developed by the IMP and integrated into a proprietary impact scoring tool. This tool assigns weightings to various impact attributes and helps us maintain objectivity when comparing investments across different sectors.

A separate proprietary assessment of BlueEarth's own contribution to impact outcomes is also completed, which incorporates the importance of BlueEarth's capital contribution, the strategic and operational value-add that BlueEarth provides, and our contribution to best practice corporate governance (see Section 4 for more details on BlueEarth's investor contribution). The results of impact assessments performed during due diligence are considered by the Investment Committee and are one of the key factors in deciding whether to invest.

<sup>20</sup> originally facilitated by the Impact Management Project and now under Impact Frontiers

#### **Recognised Practice Leader in Impact Measurement and Management**

OPIM ('The Impact Principles') are a set of nine principles for impact measurement and management practices which are the most widely adopted by investors, providing them with a framework for integrating impact considerations across the investment lifecycle. BlueEarth has been a signatory of the Impact Principles since 2020, and our IMM system has been verified twice by leading third-party verifier BlueMark under the ninth principle.

In 2023, BlueMark named BlueEarth a "Practice Leader" in BlueMark's fourth annual Making the Mark report, Benchmarking Impact Management Practice,<sup>21</sup> as such ranking BlueEarth in the top ten of BlueMark's 84 aggregated verification ratings under principles 1-8. We celebrate this positioning of BlueEarth as a practice leader, which reflects how well integrated impact is across the full endto-end investment lifecycle, and the ongoing focus we place on aligning with best practices.

Our IMM System is summarised in our 2023 OPIM Disclosure Statement, which is available online along with BlueMark's verification of our IMM system, reported via a Verifier Statement.



Once an investment has been made, the impact performance of the investment is monitored throughout the investment period. We collect and review key impact metrics quarterly or annually (depending on asset class) assessing impact delivered against what we expected, and engage with our investees to understand reasons for any

underperformance. As part of our active ownership, we drive conversations around IMM development and impact value creation with our clients. For further details, see Non-Financial Contribution in Section 4 for our approach to supporting investees to maximise their impact, and the case studies included in Section 5 for specific examples.

At exit, BlueEarth works to protect the impact mission by assessing the implications of impact for each exit strategy. For each asset class, before an exit decision is presented to the Investment Committee, the investment team uses a proprietary impact risk framework to assess potential exit options from both an impact and a commercial perspective. Additionally, for direct equity investments, ahead of exit, BlueEarth helps prepare portfolio companies to meet any additional ESG/impact-related requirements that might be triggered at exit, for example additional disclosure requirements as part of an Initial Public Offering (IPO). Following exit, we undertake a formal investment review, which incorporates a final assessment of impact delivered and captures key learnings to inform the ongoing development of our IMM framework.

#### **Metrics, Data Management and Reporting**

In 2023 we refined our metrics framework, data analysis and use, and impact reporting framework.

We systematically reviewed our portfolio-wide metrics framework and added several new IRIS+ metrics across our three impact pillars to be able to obtain a deeper understanding of the impact our portfolio companies are achieving.

For example, in Financial Inclusion, we seek to understand not just the individuals financed and financial products/services offered, but whether each provider also offers non-financial products and services (Non-financial Supported Offered, PD9681), such as financial literacy, health and wellness, or enterprise

services, whether they have client protection policies in place (Client Protection Policy, OI4753), as well as client feedback systems to receive and handle feedback from clients (Client Feedback System, OI5049). In Education, we expanded our metrics to understand support services offered, such as extracurricular programs and child development assessments (Non-financial Supported Offered, PD9681) and ability to transition to jobs (Number of Students Receiving Vocational or Technical Training, PI8836). These are just a few examples of the efforts we are making to better understand the impact of our portfolio companies and how we can best support them.

Alongside the addition of the above metrics, we have also refined our impact data collection processes, and our methodology for aggregating and reporting on our impact performance [Appendix B]. Whilst we acknowledge the importance of year-on-year comparisons to give context to impact performance, given the changes in methodology it would be misleading to directly compare 2023 figures with the impact we reported for 2022. We will therefore use 2023 as a new baseline year for our impact performance, and resume year-on-year comparisons from next year.

#### **Impact Governance and Management**

Impact is at the core of everything we do here at BlueEarth. While every BlueEarth employee plays an important role in contributing to the impact that we deliver, we also have clear roles and responsibilities to oversee robust impact measurement and management across the firm.

Ultimate oversight for BlueEarth's IMM framework rests with the Board of Blue Earth Capital AG, with the support of two main bodies: (i) the Executive Committee, which oversees implementation of BlueEarth's IMM framework; and (ii) our Investment Committees, which are responsible for ensuring every investment made by BlueEarth has gone through a comprehensive impact assessment, and that this informs every investment decision.

Sitting beneath the Executive Committee, BlueEarth's Impact & ESG Committee is led by BlueEarth's inhouse impact function, and comprises representatives from each investment team plus our Fundraising & Investor Relations team. This Committee is collectively responsible for guiding the day-to-day implementation and ongoing improvement of BlueEarth's impact and ESG framework. The Committee provides guidance and support to BlueEarth's investment teams, who are responsible for the day-to-day implementation of BlueEarth's IMM framework across each step of the investment cycle.

#### Looking ahead: our plans for IMM in 2024

Core to BlueEarth's culture is a commitment to continual improvement, and we continue to evolve our IMM framework in line with emerging best practice. Some of the highlights for 2024 will include:

- Investor Contribution BlueEarth first developed its approach to investor contribution back in 2020 when best practice guidance was much less established, and there have been significant developments since then. In 2024, we will redevelop our approach for assessing investor contribution at the pre-investment stage and implement a more structured approach to monitoring execution of our investor contribution ex-post.
- Impact Data and Reporting Building on the significant progress we have made in the last 12 months, we will continue to evolve our approach to collecting and using impact performance data, whilst also continuing to evolve our broader approach to impact reporting in line with the significant developments to best practice in this space.
- Impact Thesis Building on our existing impact narrative and strategic impact priorities, we will update and formalize our impact thesis across each of our core impact focus areas, in line with global impact norms, frameworks and standards.



# **Our Approach to ESG Management**

BlueEarth's ESG management framework is an essential component of our investment strategy, safeguarding our investment activities from causing any unintended negative ESG consequences.

Our ESG framework sits alongside our IMM framework as something distinct but complimentary, with a wider focus that extends beyond the core impact focus area(s) that are the intentional target of each investment. While the primary objectives of our ESG framework are around risk management and preventing harm across the breadth of ESG topics, it's about more than just downside protection. A comprehensive ESG strategy can also provide significant upside opportunities, for companies and investors alike. For example, a company that reduces

its energy consumption will also save on costs, while a strong Diversity, Equity, and Inclusion (DE&I) program can improve strategic decision-making and support talent acquisition and retention.

As part of our commitment to managing ESG, we are a signatory to the PRI, and ESG is fully integrated through the entire investment lifecycle. We undertake a comprehensive ESG assessment of every investment as a dedicated due diligence workstream, underpinned by proprietary ESG DD tools and in-house ESG expertise. Post-investment, we continue to engage actively with our portfolio on material ESG issues.



While the primary objectives of our ESG framework are around risk management and preventing harm across the breadth of ESG topics, it's about more than just downside protection. A comprehensive ESG strategy can also provide significant upside opportunities, for companies and investors alike.

Our approach is tailored to each investment strategy, as summarized below:

#### Pre-Investment

#### Post-Investment

#### **Private** Equity

We employ a proprietary ESG Due Diligence (DD) tool that is underpinned by the Sustainability Accounting Standards Board (SASB) framework, in conjunction with an ESG questionnaire for management, follow-up engagement with management, and thirdparty subject-matter specialists, as required.

We partner with our investees and co-investors to help identify material ESG issues and develop and implement their ESG strategies and programmes. We use our Board and/or Board Observer representation to influence management's approach to priority ESG topics. As a signatory to the ESG Data Convergence Initiative, we monitor and report against a core set of ESG metrics drawn from leading frameworks.

#### **Private** Credit

We assess each credit investment against our proprietary Environmental and Social Management System (ESMS), aligned to requirements set by the International Finance Corporation (IFC) Performance Standards, the International Labour Organization conventions, and the full breadth of potential material ESG risks with the transaction. If needed, corrective action plans are then developed, setting out key requirements that need to be addressed prior to disbursement of funds.

We ensure commitment to priority ESG issues by: incorporating priority ESG requirements as conditions precedent to disbursement; establishing ESG-related milestones that dictate volume and/ or terms of the facility; setting covenants and exclusions policies that enable BlueEarth to take action in the case of material non-adherence and selective ratchets to align financial and ESG outcomes.

#### Funds

We have developed a proprietary fund rating tool to assess prospective fund managers on their ESG frameworks, implementation resourcing and consistent application during investment processes.

We undertake ongoing monitoring activities across all our investees, actively engaging with managers on priority ESG topics. We are members of the Limited Partner Advisory Committee (LPAC) on approximately half of our fund investments, which provides us with additional influence and opportunities to engage with our investees on important ESG topics.













In alignment with our core purpose, we are proud to have continued delivering strong measurable social and environmental impact at scale in 2023. Our committed capital to date has increased from USD 579 million in 2022 to USD 830 million. We have added 12 new investments to our portfolio, and now support end-clients across 64 companies in 40 countries. Meanwhile, our existing portfolio continues to thrive and expand its year-on-year impact.

follow up with portfolio companies to continue evolving and improving data reporting in the coming years.

Given the significant changes in methodology outlined on Our Approach to Impact Measurement and Management, it would be misleading to directly compare 2023 figures with the impact we reported for 2022. We will therefore use 2023 as a new baseline year for our impact performance, and resume year-onyear comparisons from 2024 onwards.

When reporting on our impact results, we refer both to the total impact reported by our portfolio companies as well as the portion of that impact that we attribute to BlueEarth's support.



The following pages provide a review of our 2023 results in each of our three core pillars: Inclusive Growth, Access to Essential Services, and Climate Action. When reporting on our impact results, we refer both to the total impact reported by our portfolio companies as well as the portion of that impact that we attribute to BlueEarth's support. For details on our attribution methodology, please refer to Appendix B.

Additionally, as noted in Our Approach to Impact Measurement and Management and as the following pages highlight, in 2023 we added several new metrics in an effort to obtain a more accurate understanding of the impact being achieved by our portfolio companies. We recognize that the sample sizes for responses are sometimes small and may not be representative of our entire portfolio. We plan to



The Inclusive Growth pillar focuses on: providing increased access to finance for underserved individuals, such as women, low-income, and rural populations (financial inclusion); advancing economic development and job creation via the provision of financial services to SMEs facing financing gaps (SME growth); and supporting smallholder farmers through the provision of financing, know-how, inputs and market linkages particularly in underserved areas that rely heavily on agriculture.

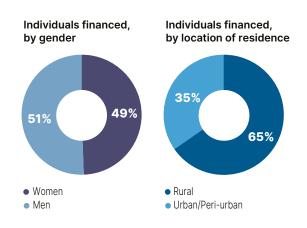
#### **Financial Inclusion**

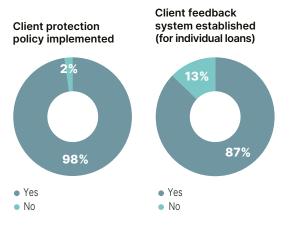
In 2023, we continued to expand our reach in providing access to financial services to underserved individuals, with our portfolio companies delivering the following:

- 44.9m individuals financed including microenterprises, out of which 1.0m can be attributed to BlueEarth.22
- 49% of individuals financed are women, out of those that reported on gender splits.
- 65% of individuals financed are rural, out of those that reported on geographic splits.

As noted above, in our journey to deepen the understanding of the impact achieved by our portfolio companies, we introduced new quality metrics for our investees to report on in 2023. Not all respondents reported data against some of the new metrics which means that sample sizes and resulting data against the new metrics may not be representative of our entire portfolio. We look forward to following up with our portfolio companies to look for ways to improve data reporting capacity in the coming years. With those caveats in mind, new data from this year shows that:

- 98% of clients have a Client Protection policy, based on the 61% of financial inclusion respondents who answered this question.
- 87% have a feedback system to receive and handle feedback from clients, such as complaints and suggestions.
- 20% offer non-financial support in addition to their financial products/services. The most common offering is education services, followed by enterprise services (e.g., business development or enterprise skills development) and women empowerment offerings (e.g. women's leadership, gender equality training).





<sup>22</sup> Our 2023 methodology for calculating individuals financed is based on: (a) Figures are only included for companies that are directly providing financing, plus payment providers given their key role in unlocking financing. More indirect support providers such as fintech software solutions, accounting and financial planning organizations are not included; (b) Figures for borrowers include all unique individuals with outstanding loans at year-end, i.e. not only those provided with new financing during the year; (c) Micro-entrepreneurs are included within individuals financed, and excluded from SME lending.

#### **SME Growth**

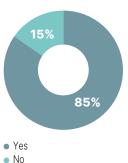
In 2023 we continued to help provide underserved SMEs with access to financial services, with our portfolio companies delivering the following:

427k SMEs served, out of which 18k can be attributed to BlueEarth.23

As noted above, in our journey to deepen our understanding of the impact achieved by our portfolio companies, we introduced additional metrics for our investees to report on in 2023. The response rate to these new metrics was low amongst our investees focusing on SME growth, so with the caveat that the resulting data may not be representative of our entire portfolio, this year's responses showed that:

- 808k jobs at directly supported/financed enterprises, out of which 20k can be attributed to BlueEarth. Only a small minority of investees tracked this data, so the actual figure is likely to be significantly higher.
- 85% of clients have a feedback system to receive and handle feedback from clients, such as complaints and suggestions.
- 73% average client satisfaction ratio, out of 100%.
- 8% offer non-financial support in addition to any financial products/services provided. The most common offering is education services, followed by enterprise services (e.g., business development or enterprise skills development) and support for women empowerment (e.g., women's leadership, gender equality training).

Client feedback system established (for loans to SMEs)

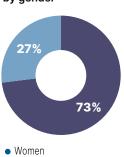


#### **Agriculture**

In 2023 our portfolio continued to provide access to financial services in agriculture, with our portfolio companies delivering the following:

- 348k smallholder farmers supported, out of which 3.4k can be attributed to BlueEarth.
- 73% of farmers supported were women.
- Training delivered to 23k farmers, out of which 579 can be attributed to BlueEarth.

Farmers supported, by gender



Men

#### **Delivering Inclusive Growth -Our Impact Stories**

The following pages showcase three of our investees - Tyme Group, ProCredito, and Horizon Capital - operating in the inclusive finance space, and provide a good illustration of how BlueEarth and its portfolio are delivering inclusive growth around the world. Each case study highlights the challenge the investee is trying to solve, their offering, their impact, and BlueEarth's support.

<sup>23</sup> In line with the previous footnote, SME financing excludes financing of micro-entrepreneurs, and only includes direct finance providers and payment solutions.

# FINANCIAL INCLUSION





#### **About Tyme Group**

**Investment Type:** 

Tyme Group (Tyme) is a digital banking group that provides financial products and services to customers in emerging markets. Founded in 2019 with their mission to empower full societies to prosper with high quality and innovative financial services.

Emerging Markets - South Africa, Philippines

Private Equity Partnerships - Co-Investment

Tyme serves the full economic spectrum, and has unique capabilities that drive uptake and usage by low-income customers and SMEs that have been traditionally underserved by financial institutions. Tyme operates in South Africa as TymeBank (since 2019) and in the Philippines as GoTyme Bank (since 2022).

#### What is the challenge Tyme aims to solve?

The financially excluded struggle to access transfers, credit, save, invest, and mitigate risk of disaster through insurance and related products, all of which prejudice their attempts at economic prosperity and limit their ability to reach their full human potential. Traditionally, reaching underserved groups presents unique challenges for financial institutions, whose

brick-and-mortar reliant business models have struggled to offer affordable fit-for-purpose products for remote and low-income customers given the need to support the high operational costs of physical branch locations. These challenges apply to consumers and SMEs alike.

In South Africa, approximately 85% of the adult population had some form of bank account in 2021.24 However, of those about 52% are considered "underbanked", and many South Africans use their bank accounts sparingly, such as solely as a means for collecting government grants.<sup>25</sup> SME owners, responsible for 34% of the country's GDP and contributing to 50-60% of employment<sup>26</sup>, identify access to working capital as the single biggest challenge that they are faced with.

#### What does Tyme offer?

Tyme offers a range of digitally-enabled low-cost financial products, targeting low-income and rural consumers, with transactions and savings services as its core offering, complemented by fit-for-purpose lending products (see Box 2). Tyme installs easy-touse, self-service digital kiosks in convenient retail

<sup>24</sup> Statista, Bank account penetration rate in South Africa from 2011 to 2021.

<sup>25</sup> CGAP, 2022, TymeBank Case Study: The Customer Impact of Inclusive Digital Banking.

<sup>26</sup> IFC, 2019: The Unseen Sector: A Report on the MSME Opportunity in South Africa

locations, staffed with in-store brand ambassadors offering customer onboarding support. The onboarding process for new customers takes an average of three to five minutes and allows them to open a full bank account in the same location where they do their daily shopping, benefiting particularly those who are marginalized and pressed for time including women, the elderly, and shift workers. In addition to its consumer products, Tyme works with SMEs to provide flexible unsecured working capital.

#### Why is Tyme impactful?

In 2022, Tyme collaborated with research partners (see Box 1) to capture customer outcome data providing early insights on TymeBank's performance in South Africa in reaching its targeted segments and creating value in the lives of its end-consumer individuals.

A CGAP study<sup>27</sup> found that an estimated 42% of its customers lived in rural areas, compared to a countrywide rural population of approximately 30%. It also indicated that nearly half (48%) of its customers were classified as low-income. In addition, 80% of customers reported a decline in bank fees, and 73% indicated an increase in savings since opening a TymeBank account. While CGAP found that the majority of TymeBank's customers had some form of bank account prior to Tyme, about 13% were first-time bank users, and 67% felt that there were no viable alternatives to TymeBank.

Findings from an additional 2022 study in collaboration with Financial Alliance for Women indicate that TymeBank's approach has also improved financial inclusion for women. While women initially comprised 30% of the customer base, the addition of kiosk ambassadors coincided with a rise in women's account ownership to over half of TymeBank's total customers.<sup>28</sup> Today, women make up 72% of MoreTyme customers and 64% of its insurance customers.<sup>29</sup>

TymeBank is also able to demonstrate early indications of improving customers' quality of life. Using proxy metrics, CGAP found that 73% of customers reported an improvement in their quality of life since using TymeBank. For other details on Tyme's 2023 impact performance refer to side box.

#### How does Tyme scale, whilst maintaining focus on its mission?

Since launching in South Africa in 2019, TymeBank has reached more than 9 million customers and 75,000 SMEs within its home market. Its retail partnerships continue to grow, with more than 1,000

kiosks located in stores across the country. Tyme is committed to understanding customer experience and value creation through strategic research partnerships (see Box 1).

In 2022, Tyme launched GoTyme in the Philippines bringing its South Africa tested model including the Tyme kiosks and instore ambassadors. In the Philippines, an estimated 44% of the population was unbanked in 2021.30 Tyme estimates that about 50% of its GoTyme customers are women, and 49% were previously unbanked or underbanked.

In 2023, using the findings from these research studies, Tyme refined its products and operations to improve customer experience and manage risks. A key lesson has been in customer service where GoTyme Bank has branded itself as the "human" digital bank and promotes its human-staffed call center. These are all lessons from South Africa, and specifically, the CGAP report which highlighted to TymeBank the need to put extra emphasis on the call-center staff.

Tyme views safeguarding customer data as a fundamental principle underpinning IMM and fostering trust with customers by maintaining transparent practices regarding the usage of their data. Tyme uses multiple layers of security and ensures that identifiable data is exposed only when necessary for analytics and pre-agreed with customers.

#### **How does BlueEarth support Tyme?**

At a time when macroeconomic trends led to a challenging year for fintech fundraising in 2022, BlueEarth, in a co-investment with Apis Partners, served as a lead investor for Tyme's pre-Series C

In 2023 Tyme provided financing to 10.5m individuals, out of which 5.6m were women, and to 260k SMEs.

funding round with regards to the speed and timing of its commitment. This injection of capital, alongside strategic advice from BlueEarth, is intended to support Tyme at a critical business growth juncture with the scaling of GoTyme Bank in the Philippines, and further into new markets such as Vietnam. In December 2023, TymeBank reached a pivotal milestone: its first breakeven month.

<sup>27</sup> Ibid, CGAP

<sup>28</sup> Financial Alliance for Women, 2022, Tyme Group - A Case Study.

<sup>30</sup> McKinsey, 2023, On the verge of a digital banking revolution in the Philippines.

"Working with BlueEarth has focused Tyme's impact standards. BlueEarth is a true partner for impact with its clients, giving critical advice and supporting engagements for new countries, products and customer service standards. BlueEarth has helped Tyme forge its ESG strategy, giving the Company a framework for excellence in impact and customer service."

Coenraad Jonker, Chairman, Tyme Group and CEO, TymeBank

Looking ahead to raising a Series D round, Tyme will work closely with BlueEarth to leverage its network and bring in new investors. BlueEarth, in collaboration with Apis, is assisting Tyme in its IMM and reporting.

#### What next at Tyme to continue to grow responsibly?

In 2024, as Tyme continues to scale into new markets whilst remaining committed to delivering on its mission. Tyme plans to enhance its algorithmic methods to delve deeper into its customer outcomes, and will collaborate again with the Consultative Group to Assist the Poor (CGAP) to generate further insights on customer experience and impact with a focus specifically on its SME financing in South Africa.

Tyme will be gearing up its SME financing across Asia with a launch in Vietnam in spring 2024, and into Indonesia by the end of the year.

#### Reflections by BlueEarth

"At BlueEarth we have been delighted to partner with Tyme in their mission to bank the unbanked and drive greater financial inclusion in emerging markets. BlueEarth looks forward to lengthy and impactful partnership with Tyme as it continues on its journey to becoming an inclusive, pan-emerging markets digital bank."

#### Tyme's 2022 research partnerships for IMM: **Understanding value creation for customers**

CGAP, with data collection from 60 Decibels<sup>31</sup>, collaborates with Tyme in a multi-year partnership, starting with the 2022 study. Through a collaboration with Financial Alliance for Women, Tyme derived insights on its customers through a gender lens<sup>32</sup>, enabled in South Africa by virtue of the national identification system which means client data can be easily disaggregated by gender. Tyme worked with Qualtrics to develop an algorithm to estimate the gender breakdown of its customers in the Philippines, where a national ID system is not yet in place.

#### TymeBank's unique offerings to the underbanked

Merchant Advances - solving the working capital problem for SMEs: TymeBank offers innovative, flexible, and unsecured alternatives to traditional business loans. Each advance is tailored to the needs of the business and easily accessible through integrated FinTech solutions through partnerships with payment processors and e-commerce providers.

Social grants - reducing risk of theft: TymeBank offers banking services to government social grant recipients, to over 3 million of the total ~20 million<sup>33</sup> beneficiaries who receive social grants and are in the lowest income brackets. TymeBank provides a safer alternative to full monthly cashbased payments from other providers, eliminating the risk of theft and harm.

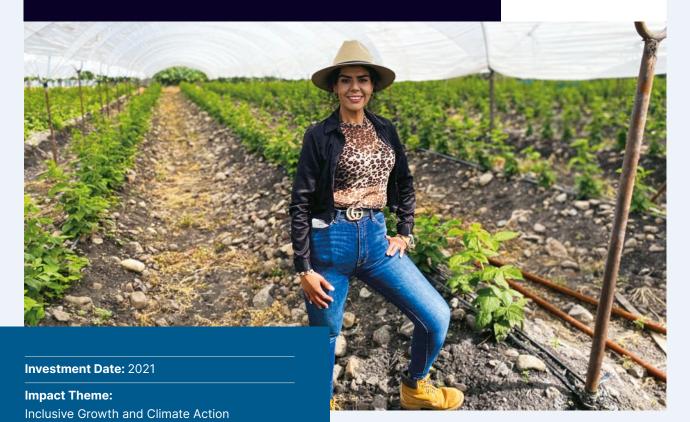
Buy Now Pay Later (BNPL) financing - smoothing payments for essential items: MoreTyme, an arrangement Tyme has structured with its retail partners, gives customers the ability to spread the cost of essential items such as school clothes over a few months to improve affordability.

<sup>32</sup> Ibid, Financial Alliance for Women.

<sup>33</sup> Patel, Dikoko and Archer (2023) Social Grants, Livelihoods and Poverty Responses of Social Grant Beneficiaries in South Africa

# FINANCIAL INCLUSION





**About ProCredito** 

ProCredito is a non-bank financial institution based in Mexico that provides business loans for SMEs in the transportation and agriculture sectors. ProCredito has a strong focus on investments in SMEs seeking funding to integrate climate-smart assets into their operations.

#### What is the challenge ProCredito aims to solve?

Geography: Emerging Markets - Mexico

**Investment Type:** Private Debt

SMEs are the backbone of the global economy, playing a critical role in creating jobs, driving economic growth, and spurring innovation. Worldwide, SMEs account for 7 out of every 10 jobs and contribute to over 40% of Gross Domestic Products (GDP)

in emerging market economies.34 Despite their importance, SMEs frequently experience challenges accessing adequate finance. According to the SME Finance Forum, the finance gap for SMEs in Mexico is about \$164 billion.35

The ability to access finance is critical from an environmental perspective, because SMEs have the potential to play a significant role in fighting climate change. In Mexico, the transportation sector, including all activities that move people and goods, generates the second largest share of GHG emissions.36 Contributing to this is Mexico's most popular form of public transportation, shuttle buses called Colectivos, which are largely outdated and not energy efficient. While Mexico is a highly urbanized country, approximately 6.8 million smallholder farmers account for about a fifth of the country's total agricultural production.37 As climate change continues to exacerbate water scarcity and makes rainfall more unpredictable, there is a growing need for efficient irrigation technologies that reduce water consumption.38

<sup>34</sup> World Bank, https://www.worldbank.org/en/topic/smefinance.

<sup>35</sup> SME Finance Forum, 2018, https://www.smefinanceforum.org/data-sites/msme-finance-gap.

 $<sup>36 \</sup>quad \text{Emissions Index}, \\ 2024, \\ \underline{\text{https://emission-index.com/countries/mexico\#:}} \\ \text{-:text=total\%20GHG\%20respectively.} \\ \text{-:text=total\%20GHG\%20GHG\%20respectively.} \\ \text{-:text=total\%20GHG\%20GHG\%20respectively.} \\ \text{-:text=total\%20GHG\%20GHG\%20GHG\%20GHG\%20GHG\%20GHG\%20GHG\%20GHG\%20GHG\%20GHG\%20GHG\%20GHG\%20GHG\%20GHG\%20GH$ 

<sup>37</sup> PLoS One, 2024, https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0292528.

 $<sup>38 -</sup> World Bank, 2023, \\ \underline{https://blogs.worldbank.org/water/growing-against-odds-three-reasons-why-irrigated-agriculture-critical-changing-climate.} \\$ 

#### What does ProCredito offer?

In 2023, ProCredito provided 281 loans to SME clients, with an average loan size of about \$90K. While ProCredito provides loans to a variety of SMEs, it offers specialized products for SMEs in the transportation and agriculture sectors. At the time of BlueEarth's investment in 2021, over half (61%) of ProCredito's total loan portfolio was focused on the transportation sector, with 34% of the portfolio financing SMEs using lower-emission vehicles. By December 2023, the focus on lower-emission vehicles scaled, growing to 51% of ProCredito's transportation portfolio. While transportation represents the highest proportion of ProCredito's portfolio, agriculture is its fastest growing segment. In 2021, ProCredito partnered with fruit exporters to finance smallholder farmers. These investments prioritize water conservation technologies, with 67% of its agriculture portfolio financing efficient irrigation systems.

In 2023, ProCredito provided 281 loans to SME clients with an average loan size of about \$90K, supporting 2,350 jobs. Alongside this, ProCredito also reported 6,147 tCO<sub>2</sub>e in avoided GHG emissions through financing lower emission vehicles, and 78m cubic meters of water saved through financing efficient irrigation technologies.

#### Why is ProCredito impactful?

By supporting access to finance for SMEs, ProCredito intends to contribute to longer term environmental and social outcomes. ProCredito actively serves clients from underserved seaments of Mexican society. Individuals behind the SMEs' ProCredito finances are largely entrepreneurs from lower-middle class backgrounds and, at the time of investment, about 93% of its clients were lower-middle class. With greater financial support, SMEs can expand their workforce, fostering economic growth.<sup>39</sup>

ProCredito's financing also has a positive environmental impact. At the time of investment. ProCredito estimated that its investments in transportation SMEs would amount to 9,546 tCO<sub>2</sub>e in cumulative avoided GHG emissions by 2023. This has been surpassed, with ProCredito reporting 6,147 tCO<sub>2</sub>e in avoided GHG emissions in 2023 alone, mostly driven by Nitrogen Oxides (NOx) reductions. Sustainable transportation systems not only tackle

climate change but also contribute to healthier cities by reducing air pollution for the more than 100 million people living in urban areas in Mexico.

Additionally, its expanding agriculture portfolio contributes to resource efficiency and climate adaptation through water resource management. ProCredito estimated that in 2023 its clients conserved over 78m cubic meters of water, or over 20bn gallons, due to upgrades in efficient irrigation technologies. These irrigation systems not only conserve water but also help SMEs save money and increase agricultural output, benefiting the livelihoods of farmers.<sup>40</sup> For other details on ProCredito's 2023 impact performance refer to side box.

#### **How does BlueEarth Capital support ProCredito?**

BlueEarth has played a pivotal role in three significant areas. Firstly, our investment has been a turning point for ProCredito, enabling a remarkable growth of nearly 600% in its agriculture portfolio since our involvement. Notably, we incentivized the achievement of sustainability targets by embedding them in the legal contract with the company. Secondly, as one of the initial international financiers, BlueEarth has attracted additional lenders, significantly expanding and diversifying ProCredito's financing sources, a crucial factor for its competitive edge. Lastly, despite ProCredito's strong foundation and management, BlueEarth has contributed to further enhancing its governance and ESG practices. For instance, we have collaborated with ProCredito to set and achieve specific goals aimed at improving impact, governance, and internal controls.



World Bank, 2023, https://www.worldbank.org/en/news/video/2022/11/16/world-



## **FINANCIAL INCLUSION**





**Impact Theme:** Inclusive Growth

Geography:

Emerging Markets - Europe and Central Asia

**Investment Type:** 

Private Equity Partnerships – Fund Investment

#### **About Horizon Capital**

Horizon Capital (Horizon) is an independent fund manager with operations in Ukraine and Moldova (the "Region"). It is the largest private equity firm in the Region with a total AUM of \$1.6 billion across six funds. Its most recent equity fund, Horizon Capital Growth Fund IV, L.P. ("HCGF IV", the "Fund") is a 2023 vintage fund and specifically targets tech/tech-enabled, asset-light, and export-oriented, fast-growing companies based in the Region but generating revenues primarily outside of the Region (mainly in Western Europe and the US).

#### What is the challenge Horizon aims to solve?

Since the Russian invasion of Ukraine in February 2022, Foreign Direct Investment (FDI) into Ukraine has fallen significantly, from 4.0% of GDP in 2021 to 0.2% in 2022. To put it in context, the average FDI (as a % of GDP) for Sub-Saharan Africa (excluding high income) was 1.6%<sup>41</sup>. Ukraine is currently the poorest country in Eastern Europe, and its GDP in 2023 hovered about 25% below pre-war levels<sup>42</sup>. The country's wealth is further affected by a high share of informal economy estimated at 44.2%, placing the country between Liberia (42.7%) and Gambia (44.3%)<sup>43</sup> on this metric. Recovery might be hindered by the current access to education with only one-third of children attending classes fully in-person due to the war44.

While the majority of Ukrainian industries have contracted during the conflict, the IT sector is key for Ukraine's economy (4.9% of GDP in 2023)<sup>45</sup>. From 2021 to 2022, IT services as a share of Ukraine's total exports rose from 8% to 12%. As demand for Ukraine's IT services continues to expand, employees working

 $<sup>{\</sup>bf 41} \quad {\bf World\ Bank,} \\ \underline{\bf https://data.worldbank.org/indicator/BX.KLT.DINV.WD.GD.ZS?locations=UA-ZF} \\$ 

<sup>42</sup> Atlantic Council, <a href="https://www.atlanticcouncil.org/blogs/ukrainealert/ukraines-wartime-economy-is-performing-surprisingly-well/">https://www.atlanticcouncil.org/blogs/ukrainealert/ukraines-wartime-economy-is-performing-surprisingly-well/</a>.

 $<sup>43 \</sup>quad World \ Economics, \\ \underline{https://www.worldeconomics.com/National-Statistics/Informal-Economy/Ukraine.aspx}$ 

<sup>44</sup> European Parliament briefing, "Two years of war: The state of the Ukrainian economy in 10 charts"

<sup>45</sup> Visit Ukraine, https://visitukraine.today/blog/3084/in-2023-ukrainian-exports-of-it-services-will-not-grow-for-the-first-time-research-data#:~:text=The%20IT%20 sector%20accounts%20for,and%20%247.89%20billion%20in%202021.

in this sector make a significantly higher salary than the average income in Ukraine. Women make up an increasing proportion of tech employees, rising from 7% in 2012 to 27% in 2021, triple over the past decade. 46 Hiring one IT specialist also supports the creation of an additional 2.7 jobs in other sectors in the country.47

#### What does Horizon offer?

Horizon allocates minority equity investments ranging from approximately \$10-30 million. The Fund primarily targets late-stage technology companies that generate the majority of their revenues from abroad as these companies are more resilient to external shocks. Its portfolio includes a diverse array of IT businesses, including B2B SaaS services, online education providers, marketing and media technologies, financial technology platforms, and others.

In 2023, Horizon's portfolio companies supported 3,129 jobs out of which 55% were filled by women and 46% of leading management positions were held by women. Additionally, Horizon's investees supported + 800,000 students via online coding and online language learning platforms.

#### Why is Horizon impactful?

Horizon seeks to generate impact via:

- Supporting and creating high value-added jobs: The IT sector creates opportunities for highly skilled employment through being (i) among the fastest growing industries in Ukraine (9.3x growth between 2017-2022) and (ii) offering better average salaries (approximately 6x the average salary in the country). Also, Horizon expects 10%+ of employees to be under 25 years old, offering opportunities to a generation of Ukrainians that have been particularly impacted by the war.
- 2. Gender equality: HCGF IV is a gender-focused fund and has been awarded the status of "2X Flagship Fund" and will strive to promote gender balance, invest with an explicit and intentional gender strategy, and implement gender smart practices.

- Re-skilling and up-skilling through education: Portfolio companies are expected to operate institutionalized education programs for existing and new employees, including career switchers who are entering the IT sector for the first time. For this purpose, companies will create their own in-house educational hubs or IT schools. Some programs can also be offered in partnership with leading local universities whilst also being offered openly.
- Supporting the Region in building a more diversified and resilient economy: Despite the ongoing challenges posed by the war, sustaining investment activity in Ukraine remains crucial. Despite the drop in FDI, the IT sector stands out as a beacon of growth and opportunity. This IT sector is one of the few fast-growing sectors in Ukraine and is an opportunity to diversify its economy towards high-value services and away from the more traditional cyclical sectors such as agriculture, metallurgy, and mining.

The Fund has already invested in 3 companies (18% of commitments called). For details on Horizon's 2023 impact performance refer to side box.

#### **How does BlueEarth Capital support Horizon?**

BlueEarth is an observer on the Fund's LPAC and will provide guidance to Horizon Capital, notably on Impact & ESG matters. BlueEarth has already provided guidance on the implementation of globally recognized Impact frameworks, including the alignment of Horizon's Theory of Change with the Impact Frontiers "Five Dimensions of Impact"48. BlueEarth worked with Horizon to set tangible impact targets for the Fund:

- Number of jobs created -16,000 of new jobs created target
- % of companies that have institutionalize educational hubs: 50% target
- % of senior women at portfolio company level: 25% target
- % of investments in companies meeting 2x criteria - 30% target

<sup>46</sup> Estimated at time of investment based on data from the Ukrainian Statistical Office.

 $<sup>47 \</sup>quad \text{Visit Ukraine, } \underline{\text{https://visitukraine.today/blog/3084/in-2023-ukrainian-exports-of-it-services-will-not-grow-for-the-first-time-research-data\#:-:text=The%20IT\%20} \\ \text{20} \quad \text{2$ 

<sup>48</sup> https://impactfrontiers.org/norms/five-dimensions-of-impact/



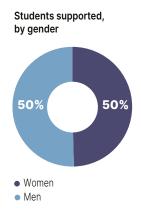
## **Access to Essential Services: Education,** Healthcare, and Affordable Housing

The Access to Essential Services pillar includes initiatives that improve the accessibility of affordable education to underserved communities by directly supporting education providers, and providing innovative financial solutions to students (Education); improve healthcare access, affordability, quality, and awareness in underserved markets (Healthcare); and support the development of affordable housing in underserved regions, offering innovative financing options to improve the accessibility for underserved populations that would otherwise struggle to access it.

#### **Education**

In 2023, we continued to support people around the world with education solutions, with our portfolio companies delivering the following:

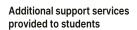
- 3.3k schools supported, out of which 108 can be attributed to BlueEarth.
- 876k students directly supported, out of which 26.4k can be attributed to BlueEarth.49
- 50% of all students served were women.

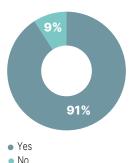




In 2023, our portfolio also delivered the following:

- 23.8k educational loans provided to students, out of which 721 can be attributed to BlueEarth.
- 15k students received vocational training, out of which 1.1k can be attributed to BlueEarth.
- 91% provided support services to students. The most common offerings include child development assessment, parent/communityteacher engagement and employee training, followed by extracurricular programs and student transportation.





<sup>49</sup> Students supported includes students that have directly received financial assistance from BlueEarth portfolio companies. It does not include total underlying students at schools that have received loans from BlueEarth portfolio companies, since it is not possible to determine that all students will have benefitted from each loan

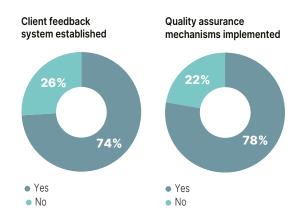
#### Healthcare

In 2023, we continued to support people around the world with healthcare services, with our portfolio companies delivering the following:

- 80 healthcare facilities managed, out of which 7 can be attributed to BlueEarth.
- 1.8m patients served, out of which 118k can be attributed to BlueEarth.50
- 136m healthcare products sold, out of which 4.2m can be attributed to BlueEarth.

To gain a deeper understanding of the impact achieved by our portfolio companies, we introduced additional quality metrics. New data from this year shows:

- 74% of clients have a feedback system to receive and handle feedback from clients such as complaints and suggestions.
- 78% have quality assurance mechanisms.

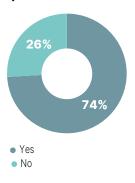


#### Affordable Housing

In 2023, we continued to support people around the world with affordable housing opportunities, with our investees delivering the following:

- 57k individuals provided with housing, out of which 1.3k can be attributed to BlueEarth.51
- 11.6k new or preserved units financed during the reporting period, out of which 724 can be attributed to BlueEarth.52
- 86% of housing units are affordable, out of total units supported by BlueEarth investees.
- 92% provided support services, out of those investees that responded, with the most common being access to healthy food and gyms and jobseeking support and skill building, followed by public transportation and access to quality schools.





#### **Delivering Access to Essential Services - Our Impact Stories**

The following case study showcases Pursuit, one of our investees operating in the education space, and provides a good illustration of how BlueEarth and its portfolio are delivering access to essential services for communities in need.

<sup>50</sup> Patients are only included where treated directly by BlueEarth portfolio companies, or where portfolio companies have played a significant role in the intervention. It excludes service providers that indirectly support the treatment of patients (e.g., software providers that supports faster diagnosis from scans).

Total individuals housed includes units built in previous periods but still under the ownership of BlueEarth portfolio companies. Alongside data from our investments in affordable housing development, these figures also include data from two low-income mortgage providers which contributed 16k individuals housed.

<sup>52</sup> New or preserved units financed only include units that have been financed during the reporting period. Includes data from two low-income mortgage providers which contributed financing of 6.8k housing units

## ACCESS TO ESSENTIAL SERVICES





**Impact Theme:** 

Access to Essential Services - Education

Geography: USA

**Investment Type: Private Credit** 

#### **About Pursuit**

Pursuit is a social impact organization whose mission is to create economic transformation. They train low-income adults to launch careers as software engineers and become the next generation of tech leaders. Pursuit Fellows go from earning \$19,000 to over \$90,000 starting salary on average, adding \$2M in estimated lifetime earnings per person. They partner with top companies such as Citi, Uber, Peloton, and Blackstone to hire their Fellows, and provide on-the-job support to employers to ensure potential translates to performance. Since 2013, Pursuit has added a projected ~\$1B in lifetime wage gains for its participants. In addition to their training and employment programs, Pursuit is building the capital market to finance a sustainable model that other organizations can adapt to change workforce development systems.

#### What is the challenge Pursuit aims to solve?

For many Americans, there are no pathways to good jobs and economic mobility is no longer attainable. In the current environment the living wage for an average family is \$80,000 and most jobs that pay over \$60,000 require a 4-year degree, yet over 218 million Americans do not have college degrees (this equals 63% of Americans over 25 years old).

Our system was not built to support the modern employment needs of our entire population. College is no longer a good return on investment and not tied to outcomes, adding to a \$1.7 trillion student loan crisis. Furthermore, the nature of jobs will change and accelerate. Macro forces will intensify and potentially disrupt society. This is a complex national socioeconomic challenge that is not just limited to a training problem but extends to employment, capital markets, and, at its core, belief and community.

Creating an inclusive economy requires investment in job training for excluded adults, yet workforce development programs remain chronically underfunded. Pursuit estimates that, in New York City alone, less than \$28 million is committed annually in philanthropic funding for all adult training, significantly below the \$60 billion that is needed to

train the 1.7 million unemployed or underemployed New Yorkers.<sup>53</sup> Additionally, funding is often not tied to outcomes, creating a negative spiral: the lack of capital contributes to a lack of quality training and results, which then contributes to less capital. Pursuit is aiming to solve this deep market systems problem.

#### What does Pursuit offer?

Pursuit's integrated programs address the structural challenges within workforce development. They start with Community Development to reach underserved populations, creating awareness and understanding of new career pathways and instilling belief. Pursuit Core pre-job training and employment provides foundational tech and professional skills, mentorship, and access to networks. Their Pursuit Commit program is a 3-year employer service for partner companies to hire, retain, and advance non-traditional talent that ensures on-the job success. Lastly, the Pursuit Bond financial product links financial viability to outcomes and mobilizes new pools of capital beyond the limited philanthropic funding in New York City for adult job training direct services.

Pursuit has supported 1,269 fellows, out of which 553 were women; 903 were an under-represented minority; 436 were a 1st or 2nd generation immigrant; 790 did not have a Bachelor's degree; and 100% earned below median US household income pre-program.

Pursuit is the only firm of its kind which focuses exclusively on low-income communities, aligns incentives, and engages stakeholders to maximize the likelihood of Fellows securing and retaining highpaying jobs. These stakeholders include Fellows (low-income job seekers), corporate employers, and investors, as well as community groups and regulators.

To innovatively address the persistent funding gap for workforce development, Pursuit utilizes an outcomesbased financing model to fund the program, whilst ensuring measures are in place to support customer protection. The model supports Fellows to attend the program with no upfront cost and then pay a percentage of their earnings for a set duration to Pursuit after landing full-time high-paying roles. These payments enable Pursuit to support more future training and expansion of services, and repay the impact investors who had funded the upfront costs of the program.

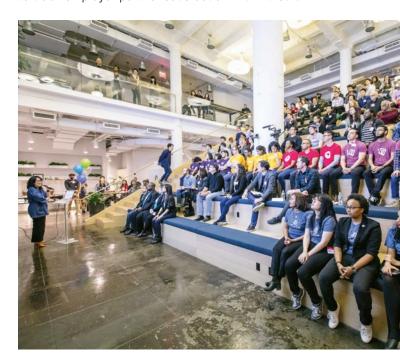
Pursuit is also working with New York State legislators to develop a regulatory framework that enables their model to be more investable, scalable, and adoptable by other workforce development organizations in tech and beyond. It will also establish protections for opportunity seekers and pursue credit enhancement opportunities to unlock further funding and jobs.

#### Why is Pursuit impactful?

Pursuit supports 100% low-income adults, comprising 50% women, and 70% Black or Hispanic. Additionally, about 55% of Fellows do not hold a college degree, and 40% are immigrants.

Measuring long-term and multi-dimensional societal outcomes like economic transformation, social mobility, and poverty reduction is complex, with misaligned time horizons and incentives. End beneficiaries must be engaged with cultural sensitivity, and perspectives included from various stakeholders, balancing qualitative and quantitative measures. Recognizing this, Pursuit has established a sophisticated impact measurement framework.

Pursuit uses several Key Performance Indicators (KPI) to monitor progress towards outcomes, which it has collected since 2013. The first is Fellow income gains, which are calculated by comparing the salaries of its Fellows before and after their participation in the program and placement into tech roles. Pursuit collects job retention and promotion data from its employer partners, allowing it to compare the retention rate of its Fellows against non-Fellow employees, as well as Net Promotion Score (NPS) to track employer partner satisfaction with Pursuit.



This impact KPI framework is directly aligned with the financial model: reporting progress against milestones and covenants in the model triggers repayments to BlueEarth and investors.

Additionally, Pursuit maintains close and regular contact with leadership at companies, managers, community groups, and with Fellows themselves to collect qualitative data on socialization of Fellows and pick up possible negative outcomes for Fellows, and mitigate them in the future. For other details on Pursuit's impact performance refer to side box.

#### **How does BlueEarth Capital support Pursuit?**

BlueEarth co-created and served as the anchor investor in an innovative, outcomes-aligned structured credit instrument to finance the Pursuit training program. BlueEarth collaborated with Pursuit to develop the credit structure, designing novel credit enhancements with philanthropic partners, and aligning on appropriate terms and covenants necessary to support an institutional, market-rate riskreturn profile for BlueEarth's investment.

Pursuit's cohorts associated with this financial product have been cash flow generative, delivering revenues to repay interest on schedule and on target since March 2022. In 2023, Pursuit made its first principal repayment, demonstrating financial viability and success of the model in tandem with impact performance.

"We are grateful to BlueEarth for partnering with us to advance a new model that creates measurable job outcomes for Fellows, delivers market-rate returns for investors, and structurally changes financing for workforce development."

Jukay Hsu, Founder & CEO, Pursuit

#### What next for Pursuit to maximise impact performance for low-income communities in **New York?**

Pursuit is focused on expanding its training programs and integrated financing model to drive economic mobility for increased populations of low-income individuals. These two components must scale in tandem to generate a financially sustainable flywheel, whilst continuing to align incentives and uphold trust with all stakeholders.



Pursuit is also actively exploring opportunities to deepen its impact measurement and management, including engaging in a randomized control trial to assess income gains and employment longevity by Pursuit Fellows compared to alternatives, which would provide more definitive evidence of impact performance and, in doing so, attract further impact investors.

Long term, this will allow Pursuit's training and financing models to be applied to other training organizations and job types across the workforce development field, broadening the access to impact investments to drive maximum impact in the field.

#### Reflections by BlueEarth

"Working with Pursuit, we've pioneered a new model for how workforce development can be funded. Together, we're solving a deeper market systems problem and creating a scalable solution for other orgs, jobs, and places."

# **Climate Action: Supporting the Net Zero Transition**

The Climate Action pillar focuses on investments that: deliver measurable GHG emission reductions through products or services with materially lower carbon intensity than incumbents, and key enablers of the net zero transition (Decarbonization); provide solutions that increase resource efficiency, avoid waste and support the transformation from linear business models towards a circular economy (Resource Efficiency); and improve society's resilience and adaptive capacity to manage the physical impacts of climate change (Resilience and Adaptation).

The core focus for our climate portfolio is on decarbonisation, and we provide funding and support to help scale innovative climate solutions that can make a meaningful contribution to the net zero transition. Worth noting is that the majority of our climate investments have been made in the last couple of years, with a strong bias towards growth stage companies. We therefore expect the scale of climate impact from these companies to grow significantly over the coming years as we support them to scale.

A number of our climate investments also deliver broader resource efficiency investments in tandem with decarbonisation, including reductions in water consumption and avoidance of waste.

Finally, we have also supported several companies that support climate resilience and adaptation, notably within agriculture which is one of the sectors hardest hit by the physical impacts of climate change.

In 2023 our portfolio companies delivered the following:

- 505k tCO<sub>2</sub>e GHG emissions avoided<sup>54</sup>, out of which 36k can be attributed to BlueEarth.
- 55k metric tonnes of waste avoided, out of which 3.5k can be attributed to BlueEarth.
- 135m cubic meters of water consumption avoided, out of which 61m can be attributed to BlueEarth

#### **Delivering Climate Action -Our Impact Stories**

The following case studies showcase two of our investees operating in the climate action space - CarbonCure and AMP which illustrate the innovative solutions that our portfolio is delivering to accelerate the net zero transition and deliver a more sustainable future.

<sup>54</sup> Amount of GHG emissions avoided during the reporting period that is directly attributable to the use of investee products or services, relative to an incumbent/baseline scenario representing what would have happened using products or services otherwise dominant in the market. This is assessed on a year-on-year basis (i.e. capturing all emission reductions occurring from products in use during the reporting period, regardless of year of sale), not on a forward-looking basis (i.e. all future avoided emissions assessed in the year of sale). For our direct investments, BlueEarth engages with investees to review and, where necessary, support them in enhancing their approach to GHG impact measurement, drawing on recognized best practices including from the GHG Protocol, WBCSD and Project Frame.

## **CLIMATE ACTION**





**Investment Date: 2023** 

**Impact Theme:** 

Climate Action - Decarbonisation

Geography: Global

**Investment Type:** Private Equity

#### Who is CarbonCure?

CarbonCure Technologies (CarbonCure), founded in 2012, offers ready-mix concrete plants a technology that injects CO<sub>2</sub> into the concrete mix, permanently storing CO<sub>2</sub> whilst maintaining the concrete's strength, enabling reductions of cement and thereby reducing emissions by up to 6% Cement represents the most expensive component of concrete and almost the entire embodied carbon emissions.

#### What is the challenge CarbonCure aims to solve?

Concrete is the most abundant man-made material in the world and is one of the largest single contributors to climate change; its manufacture is responsible for 8% of global GHG emissions<sup>55</sup>. Concrete's high GHG emissions are driven by the carbon-intensive process of producing cement, which makes up 10% by mass of concrete. Approximately 60% of GHG emissions come from the CO2 released during the chemical process of making cement<sup>56</sup>, with most of the remaining 40% of emissions coming from the combustion of fossil fuels to heat the cement kilns to temperatures above 1,200°C.

In addition to being one of the biggest global GHG emitters, the concrete industry is also one of the hardest-to-abate, dependent on three main levers to fully decarbonize over the long-term: (i) switching from fossil fuels to clean fuels to power the kilns (~40% likely contribution to net zero); (ii) deploying carbon capture, utilization and storage (CCUS) technologies to capture ambient CO<sub>2</sub> or process emissions from cement production, either into concrete (~10%), or underground (~50%); and (iii) substitution of Portland cement in concrete production.

<sup>55</sup> Energy Post, accessed March 2024

<sup>56</sup> Calcination: CO<sub>2</sub> is emitted as limestone (CaCO3) converts into lime (CaO)

In 2023, CarbonCure's products delivered GHG avoidance of 127,000 tCO<sub>2</sub>e from the production of low carbon concrete.

Many governments, often the largest procurers of concrete in each country, are looking to procure low-carbon or net-zero concrete, and legislate and incentivise accordingly. Additionally, companies<sup>57</sup> and leading cement and concrete manufacturers are also making public commitments to net zero strategies<sup>58</sup>. However, the technical and commercial challenges make it infeasible for any of the three decarbonization levers above to achieve widescale deployment in the short- to medium-term, so these buyers and manufacturers are looking for alternative market-ready solutions to achieve short-term GHG reductions.

#### What does CarbonCure offer?

CarbonCure's carbon utilization technologies inject CO<sub>2</sub> into fresh concrete, which instantly mineralizes and becomes permanently embedded in the concrete. The injection of CO<sub>2</sub> enables producers to safely reduce the cement content of their mix designs by up to 6% while ultimately maintaining the same strength level. This reduction in cement, combined with the permanent storage of captured CO<sub>2</sub>, delivers both GHG reductions and cost savings to the concrete manufacturer.

CarbonCure manufactures and leases carbon utilization technologies for concrete producers of all sizes. CarbonCure has licensed its core solution across more than two dozen countries, with nearly 800 systems operating or to be installed around

the world, with a possible market opportunity of ~100,000 plants globally. CarbonCure's business model is built on (1) leasing its technologies via a monthly licensing fee on long term contracts, and (2) revenue share with customers from its sale of carbon credits traded on the voluntary carbon market (VCM) (see Box 1).

Utilization of the technology and the valuation of carbon credits relies on CarbonCure's digital integration. Its software controls CO<sub>2</sub> injections and collects and stores data on CO<sub>2</sub> removal volumes real-time in CarbonCure's cloud-based data platform. This data is also valuable to customers: CarbonCure analyzes the data and presents it in a way that helps them operate their business more efficiently by providing them data on a per batch basis. CarbonCure's methodology for calculating CO<sub>2</sub> savings is verified by Verra<sup>59</sup>, the world's leading certifier of voluntary carbon credits.

#### Why is CarbonCure impactful?

CarbonCure's business model is built for global scaling via its tried-and-tested technologies delivered by a leasing model that requires no capex for customers. CarbonCure's carbon credit revenue share model built on a robust carbon savings methodology, verified by Verra, offers a higher integrity and higher-value carbon credit in a growing market. The company expects to be able to help its customers significantly increase total tCO2s avoided over the next 5 years as the company scales. CarbonCure calculates its theoretical GHG impact, if fully deployed across its addressable market, to be in excess of 200 Mt of CO<sub>2</sub> emissions avoided annually by 2030, equivalent to 0.5% of total global GHG emissions.

#### **Voluntary Carbon Markets (VCMs)**

Through the VCMs (0.2 GtCO₂e), emitters offset some or all their carbon emissions by buying carbon credits generated through carbon reduction or removal projects. While VCMs have been in existence since the early 2000s, they have only garnered wider interest in recent years, growing 3x between 2018-2021, with an annual trading volume of USD >1bn in 2021. Previous challenges around reliability of credits from forestry-based sources have led to a lack of trust in the market and low valuation of credits. The Private sector-led Taskforce on Scaling VCMs (TSVCM), which has >250 member institutions, estimated demand for VCM credits will grow to 1-2 GtCO2e by 2030. Technology-based credits such as those offered by CarbonCure provide a higher certainty of emissions reductions and therefore attract a higher valuation, representing significant opportunities for CarbonCure to monetize its credits.

<sup>57</sup> Initiatives include Concrete Zero <a href="https://www.theclimategroup.org/concretezero-members">https://www.theclimategroup.org/concretezero-members</a>, accessed March 2024; and First movers coalition: <a href="https://www.state.gov/">https://www.state.gov/</a> first-movers-coalition-announces-expansion/, accessed March 2024

<sup>58</sup> Global Cement & Concrete Association (whose members account for 80% of global cement volumes ex-China and includes several large Chinese manufacturers) aims to: (i) reduce 25% of  $\rm CO_2$  per m3 of concrete by 2030.

<sup>59</sup> https://verra.org/programs/verified-carbon-standard/, accessed March 2024



#### **How does BlueEarth Capital support** CarbonCure?

As CarbonCure's first institutional investor, BlueEarth brings its networks with other investors at a time when CarbonCure aims to transition swiftly to being an operationally excellent, profit-oriented company as it scales rapidly. BlueEarth is supporting CarbonCure by helping recruit top talent to the executive team and board, increasing the operational reporting insights and sales introductions to global concrete plant owners, and supporting the management team to rapidly expand the business both organically and via new business opportunities.

"Working with BlueEarth gives us an opportunity to collaborate with like-minded leaders who steer the growth of sustainable economies. Partnerships like ours are critical to help accelerate decarbonization in the built environment, which is one of the most impactful routes to achieving global warming reduction goals."

Robert Niven, Founder and CEO of CarbonCure Technologies

#### **Reflections by BlueEarth**

"We were excited to partner with CarbonCure because despite their position as the most commercial lowcarbon concrete solution today, they have barely scratched the surface of the market for their products which could mean millions of tons of carbon emissions avoidance as CarbonCure scales. In addition, as a trusted partner to the concrete industry, CarbonCure can bring to market more low-carbon products to the concrete industry over time."

## **CLIMATE ACTION**





Impact Theme: Climate Action -

Decarbonisation and Resource Efficiency

Geography:

Developed Markets - North America

**Investment Type:** Private Equity

**About AMP** 

AMP is the leader in Al-powered automated waste sortation, maximizing the recovery of valuable materials that would otherwise have gone to landfill. BlueEarth is excited about AMP's potential to revolutionize the waste industry, helping society shift away from the existing take-make-waste system towards a more circular system that recycles valuable raw materials and delivers significant GHG emissions savings.

#### What is the challenge AMP aims to solve?

Globally, 2 billion tonnes of waste are generated per annum of which only 19% is recycled or composted. About 37% of global waste ends up in landfills, 11% is incinerated and 33% is openly dumped, risking leakage into the environment, often via local waterways and eventually into the ocean.60

Inefficiencies in recycling contribute to this poor handling of society's waste, leading to adverse environmental and social impacts.

Although the goal of landfills is to safely contain waste, even well-maintained landfill sites present challenges and are prone to leakages, releasing harmful and toxic contaminants into the air, soil, and groundwater. Landfills for example are responsible for nearly 11% of global methane emissions as decaying waste emits methane over time.61

These environmental effects directly impact human health. Research indicates that those living near landfills are at an increased risk of eye, lung, and throat irritation, as well as more serious illnesses such as certain cancers, asthma, and water-borne diseases. Infants face a significantly higher risk of preterm birth and congenital abnormalities.

Also, these hazards are not equally distributed. Most landfills are in poor and non-white neighbourhoods, creating disproportionate health risks for people from marginalized and low-income communities.62

<sup>60</sup> World Bank, https://openknowledge.worldbank.org/entities/publication/d3f9d45e-115f-559b-b14f-28552410e90a.

 $<sup>61 \</sup>quad \text{Global Methane Initiative,} \\ \underline{\text{https://www.globalmethane.org/documents/landfill\_fs\_eng.pdf}}.$ 

<sup>62</sup> United States General Accounting Office, https://www.gao.gov/assets/rced-83-168.pdf.

#### What does AMP offer?

AMP provides a range of solutions that utilize artificial intelligence to identify, sort, and recover recyclable material, thereby materially decreasing the need for landfilling. Compared to manual sorting, AMP's robotic systems sort waste faster, make fewer errors at a lower cost, sort with more specificity (e.g., red vs green plastic), and pick more types (e.g., construction and demolition material, e-waste). AMP's technology enhances the value in waste, which enables materials to be recovered that would otherwise be landfilled. incinerated, or openly dumped.

AMP's robots are currently used in the field as retrofit solutions for recycling facility operators in the US, Canada, Japan, and Europe. AMP has deployed more than 400 Al-enabled systems. Its customers include some of the largest players in the waste industry.

AMP also operates a fully automated commercial processing facility outside Cleveland, OH with two more facilities under development. Additionally, AMP has a pilot facility to sort municipal solid waste (MSW) operating successfully in Virginia. AMP's Recovered Solid Fuels (RSF) and MSW pipelines have increased above >500m and >2B in total contract value (over 10-20 years), respectively.

#### Why is AMP impactful?

Increasing the recovery of recycled materials results in multiple environmental and social benefits. Reducing waste sent to landfills decreases methane emissions and reusing recycled inputs in the manufacture of new products emits less greenhouse gases than extracting new raw materials. 63 In addition to these avoided emissions, increasing the recovery of valuable materials eliminates waste and reduces pollution. These practices contribute to cleaner air, soil, and water, improving human health and quality of life, especially for communities living near waste sites.64

In 2023 AMP's facilities and products sorted a total of 300,000 tonnes of recoverable material, which corresponds to total GHG emissions savings of 840,000 tCO<sub>2</sub>e. From this total material recovered, BlueEarth estimates that the additional impact delivered by AMP over and above what would otherwise have been sorted in the absence of



In 2023 AMP enabled the avoidance of 110,000 tCO₂e GHG emissions through recirculating valuable materials that would otherwise have gone to landfill.65

AMP's products and facilities corresponds to an<sup>65</sup> additional 40,000 tonnes diverted from landfill, and avoided GHG emissions of 110,000 tCO<sub>2</sub>e (this is an estimation conducted by BlueEarth, not reported by the company<sup>66</sup>).

#### **How does BlueEarth Capital support AMP?**

Through our Board participation, we have helped support the strategic direction for the business, made potential customer introductions, assisted with capital formation, and helped recruit industry experts to the board and senior executive positions.

On impact measurement, we have engaged with management to better understand the additionality of the positive impacts that the company is delivering, and supported them to align their sustainability reporting to leading standards.

"As AMP has reached this later growth stage, it's become really important to have strong perspectives and deep experience around the table. As a growth investor, BlueEarth has been fantastic. We really have a shared worldview, which is that technology can change the cost of doing the right thing. They bring a real entrepreneurial mindset and decades of experience helping companies understand how to align meaningful sustainability impact against short-term, quarter-to-quarter business needs for the company."

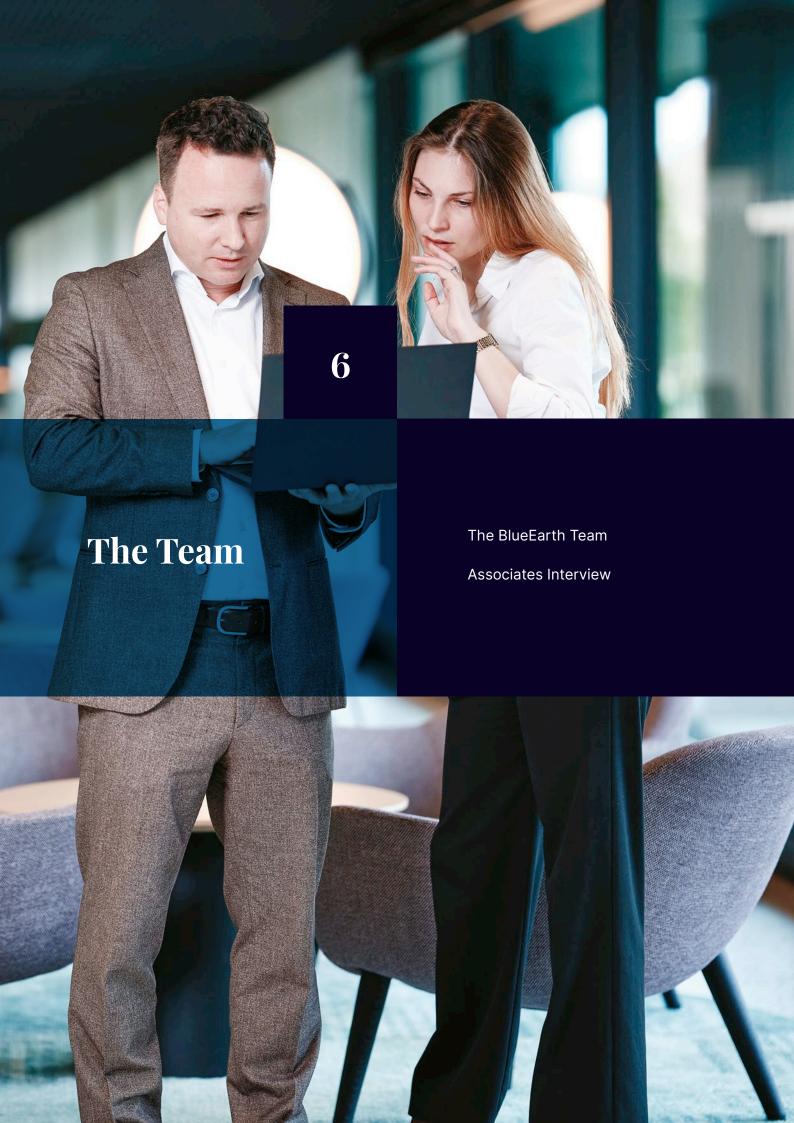
Matanya Horowitz, CEO of AMP

<sup>63</sup> Global Methane Initiative, <a href="https://www.globalmethane.org/documents/landfill\_fs\_eng.pdf">https://www.globalmethane.org/documents/landfill\_fs\_eng.pdf</a>.; Climate Action Accelerator, <a href="https://climateactionaccelerator.org/solutions/">https://climateactionaccelerator.org/solutions/</a> recycled-materials/.

 $<sup>64 \</sup>quad \text{Journal of Environmental Public Health, } \underline{\text{https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8440080/.}} \\$ 

<sup>65</sup> Based on BlueEarth's own calculations.

<sup>66</sup> Following guidance for calculating avoided GHG emissions (e.g. Project Frame, WBCSD, GHG Protocol) that states that impact should be assessed in comparison to a baseline/reference scenario reflecting what would have occurred in the absence of the climate solution, BlueEarth only counts the additional GHG emissions estimated by AMP's operations. We do not count the total emissions saved in our reporting as we believe additional emissions saved are a more robust and accurate representation of the impact achieved. Therefore, our aggregated GHG avoided numbers include the 40,000 tons we assign to AMP and not the overall 840,000 reported above.





#### **INVESTMENT TEAM**

Amy Wang, Managing Director (Head of Private Credit)

Kayode Akinola, Managing Director (Head of Private Equity)

Nicolas Muller, Managing Director (Head of Private Equity Partnerships)

Benjamin Hogan, Director

Clara Sanchez, Director

Claude Kamga, Director

David Moore, Director

Rohan Ghose, Director

Imar Nandha, Principal

Marc Williams, Principal

Andreas Wohlhüter, Vice President

Charles Feutray, Vice President

Espen Ugland Haugen, Vice President

Inês Amorim Rocha, Vice President

Nadya Menshikova, Vice President

Rita Nguyen, Vice President

Sunit Shah, Vice President

Thomas Lee, Vice President

Angélique Wernli, Associate

Christiane Tan, Associate

Constantin Wedekind, Associate

Lien Vo, Associate

Luvina Yao, Associate

Will Attwood, Associate

Cordelia Peters, Analyst

Eleonore Krawczykowski, Analyst

Fabio De Pascale, Analyst

Nicole Lopez, Analyst

#### **FUNDRAISING AND INVESTOR RELATIONS**

Daniel Perroud, Managing Director (Head of Fundraising & Investor Relations)

David Keel, Managing Director

Julia Wicklein, Senior Client Relationship Manager

Antonia Chorschew, Associate

Fabian Hess, Associate

Florence Perramond, Analyst

Matthias Daum, Analyst

#### **CEO OFFICE**

Counsel

Stephen Marquardt, CEO

Samuel Hopkins, Group Operations Manager

Christina Mueller, Senior Legal

Gaudenz Biveroni, Senior HR Manager

Anny Tohme, Fund Controller

Jenna Espley-Jones, VP - Finance and Business

Katie Manescu, Portfolio Manager

Victoria Stark, Fund Controller

Sophia Xu, Investment Operations Analyst

Claudia Hunter, Office Manager - Zug

Emer O'Farrell,

Office Manager - London

Jacqueline De Biasi, **Executive Assistant** 

#### MEMBERS OF THE INVESTMENT COMMITTEE

Urs Wietlisbach, Co-Founder and Chairman

Alison Klein

Celia Wong

Melissa Cheong

Michael Barben

Sandra Pajarola

Scott Essex

Tilmann Trommsdorff

William Pierson

#### BLUE EARTH CAPITAL AG, **BOARD OF DIRECTORS**

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Andreas Kirchschläger

Sandra Pajarola

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Claude Noesen

Robert Brimeyer

Stephen Marquardt







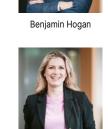
Andreas Wohlhüter



Angélique Wernli















































































Sophia Xu



## **Associates Interview**

## Reflections on working at BlueEarth.

We wanted to end this report by hearing from some of the next generation of impact investing leaders that we are nurturing here at BlueEarth. This interview features three of our recently promoted Associates who all joined BlueEarth as Analysts, reflecting on their experiences here at BlueEarth and what lies ahead for the firm.

In this interview, Constantin Wedekind, Angelique Wernli, and Luvina Yao reflect on their experience at BlueEarth, their hopes for the future, and what makes the organization a unique place to work in.



Constantin is an Associate at the Private Equity Team who joined BlueEarth in 2022 after working as an investment banker in the green energy and infrastructure space in London and at an Africa-focused PE fund in Paris.



Luvina is an Associate of the Private Credit Team who joined BlueEarth in 2022 with previous experience in the corporate banking division at Citi and Mizuho in Hong Kong.



Angélique is an Associate with the Private Equity Partnerships Team who joined BlueEarth in 2022 after working as Financial Analyst at Partners Group and as consultant on public sector projects.

#### What makes BlueEarth unique? How would you describe its culture?

Constantin: I would describe the BlueEarth culture as collaborative, innovative, trusting, and welcoming. The firm has a flat structure and expects every member of the team to actively contribute originally and confidently. BlueEarth is also very rigorous - our teammates have diverse and impressive backgrounds. They have developed their investment approaches at the highest levels across a range of prior experiences and now combine the best of each at BlueEarth. Overall, the organization offers an intellectually stimulating environment with motivated, talented, and mission-driven peers that are thrilled to be working on cutting-edge issues driving our world right now. Being owned by the Blue Earth Foundation is another key aspect that makes us unique. We have ambitious commercial and return targets, and the fact that our profits get reinvested in deep impact projects helps convey to both our investors and potential investees that we are genuine impact investors looking to achieve both. [For more on the Blue Earth Foundation, refer to the interview with Founder and Board Chair on pages 11-12.]

Luvina: I agree. If I have to sum it up to one word, I would say collaborative. While there are different investment teams, we work collaboratively across the firm to leverage industry expertise and our network. For example, we work together with our Private Equity Partnerships team to identify funding opportunities for the portfolio companies of some of the funds we invested in. In addition, this cross-collaboration also helps empower industry expertise. Two weeks ago, I sat down with Constantin, and he helped me get up to speed on climate topics related to battery storage solutions. Our culture is also innovative and we are encouraged to think outside of the box and provide very tailored financing structures that fit well to our

investees' needs. For example, a company may want to preserve cash early on to support the growth projects or it may not have sufficient hard collateral available: we can customize the collateral package and repayment schedule to fit what the company needs. As the sector grows and evolves, BlueEarth always encourages us to continue to grow and never limit our knowledge and understanding.

"We are encouraged to think outside of the box and provide very tailored financing structures that fit well to our investees' needs. For example, a company may want to preserve cash early on to support the growth projects or it may not have sufficient hard collateral available: we can customize the collateral package and repayment schedule to fit what the company needs. As the sector grows and evolves, BlueEarth always encourages us to continue to grow and never limit our knowledge and understanding."

Luvina Yao - Private Credit Team

Angélique: I appreciate immensely the motivating and trust-based culture at BlueEarth. As an Associate, I have received learning opportunities and responsibilities that I would not get somewhere else. Both because the level of trust is very high and because Senior leaders encourage us to be entrepreneurial in solving challenges and enhancing the way we work. We are all passionate and trying to create something positive together. But what is unique to BlueEarth is the freedom we are given to pursue our interests within our responsibilities. For example, as the Private Equity Partnership team's Impact & ESG champion, I can dive into the reality of implementing impact and ESG methodologies and frameworks.

#### How central is impact to BlueEarth's activities and decisions?

Luvina: Impact is in our DNA, and it is fully embedded in the investment process from day one, beginning when we source a transaction. During our initial screening, a company's impact thesis is a key consideration, and it's discussed during investment committee meetings. We also build action plans on environmental and social risks to ensure each company is managing these risks. We continue to monitor impact throughout the investment cycle. We have regular conversations with our investees to see if they are on track with the original KPIs and impact strategy. We also have set up social covenants (such as % women borrowers) to ensure companies stay aligned to the original impact thesis.

Angélique: The team has discussions on impact on a daily basis. We challenge each other to make sure the rigor and sincerity is always there when it comes to analyzing an investment's impact. Impact is why we work for BlueEarth, and it is not just a box-checking exercise.

Constantin: Impact is central to everything we do and a key topic for every discussion of a potential investment, one that can elicit passionate debate within our team, and a core part of the investment decision-making process. We look at impact not just from the lens of the absolute impact potential of the company, but also from a risk-adjusted point of view, and from the perspective of how we can bolster the impact of the company as value-added investors. For example, we ask ourselves how our companies fit in with the wider transition themes toward a sustainable climate, how we can help the company track or report its impact better, what strategies can proliferate the impact even more, and how a company's positive climate attributes can be monetized for the company, e.g. on carbon credit markets. As importantly, we conduct our own impact analytics. Rather than taking presented data at face value, we run analyses to quantify the expected impact of a company, ensuring that emissions savings estimations are based on realistic assumptions and a

sound attribution logic. When we receive target KPIs from our investees, we crosscheck assumptions to ensure these are defensible. I love the fact that we investment professionals are not siloed into limited roles and get to assess both the financial and impact qualities of a deal in tandem. This holistic picture is important, allowing us to discover key interconnections that maximize both returns and impact.

"We look at impact not just from the lens of the absolute impact potential of the company, but also from a risk-adjusted point of view, and from the perspective of how we can bolster the impact of the company as value-added investors."

Constantin Wedekind - Private Equity Team

#### Can you share a highlight from your time at BlueEarth?

Luvina: Onsite due diligence is a critical part of our investment process, and last year I visited Bangladesh for a due diligence visit. I didn't just have meetings with senior management at headquarters, I also travelled hours past tier two cities to visit manufacturing sites and see the real workers and clients. Having the opportunity to be on the ground was inspiring—I saw how our investments could help people there but also at the same time the trip awakened me to how much more needs to be done. This trip reassured to me the importance of investments we make that help improve the lives of people in need.

"Having the opportunity to be on the ground was inspiring—I saw how our investments could help people there but also at the same time the trip awakened me to how much more needs to be done."

Luvina Yao - Private Credit Team

Constantin: In early 2023, I travelled on-site to support a portfolio company on building a business plan to help it raise additional financing that would continue fuelling its growth. This was one of the most rewarding learning experiences of my career so far. I had a chance to directly debate with the Chief Financial Officer of the company on how to model and forecast aspects of the business plan, which showed me first-hand how important our direct, active, and collaborative support is to young companies in the climate space.

Angélique: I worked on the due diligence process for Tyme Group, a digital bank that provides lower income consumers and small business owners in South Africa and the Philippines with affordable access to basic financial products and services. Tyme's CEO attended BlueEarth's annual general meeting in June 2023, and I had the opportunity to hear more about his passion for Tyme's mission over dinner. It was truly inspiring and a great reminder of why I wanted to join an impact firm like BlueEarth. [For more on Tyme Group refer to its case study on pages 30-32]

#### What do you find exciting about BlueEarth's trajectory and future direction?

Angélique: BlueEarth's investment strategy has evolved significantly, expanding geographically and placing a heightened focus on climate-related impact. This shift has also resulted in a deeper approach within each strategy. As a result, the Funds & Coinvestments team has been rebranded as Private Equity Partnerships. Over the past years, we have been able to build a unique global network of General Partners (GPs) allowing us to access attractive co-investment opportunities as well as secondary investments. We see the latter as incredibly exciting and thanks to the ecosystem built across GPs, DFIs and LPs, BlueEarth is uniquely positioned to become one of the leaders in the space.

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Angélique Wernil - Private Equity Partnerships

Luvina: Within credit, we've built a strong base of socially aligned investments in emerging markets. But as mentioned, we've seen how much more needs to be done. We're looking at different themes such as agriculture, education, healthcare and job creation all which not only improve people's lives but also the environment. We've realized the essential need of support for the climate transition movement, globally. In fact, we are starting to see more intersections between social and environmental impact. Traditionally, people thought that you would achieve one or the other, but what we see in our transactions is that you can often achieve both. For example, an investment in a sustainable garment manufacturer in Bangladesh creates quality jobs, and at the same time, helps the company be more sustainable in terms of

its manufacturing practices. Our team is seeing this intersection pop up around the world, from Singapore to the US. We're excited by our burgeoning pipeline of climate opportunities in the US and Europe.

**Constantin:** We are doubling down on growth across the organization. Every team is innovating and pushing the respective boundaries of their impact asset class. We all have unique and interesting propositions to offer to our clients and cross-pollinate amid our strategies.

#### Where would you like to see BlueEarth go in the next 5-10 years?

Constantin: On the PE side, I am looking forward to deploying a successful first fund and to launching a second fund that lets us make even more substantial investments, contributing more capital and allowing us to exhibit more leadership to help drive the climate transition. I am also looking forward to diversifying across the segments we invest in over the long-term, hoping to branch out further across a spectrum of earlier-stage deals, later-stage deals, and potential infrastructure investments.

Angélique: Going forward, I'd like to see us double down on secondaries. Our first secondary project with a DFI just closed (technically in 2024 but we were working on it in 2023), and it would be great if we could recreate more of these opportunities. There are many more DFIs with large fund portfolios that, thanks to a secondary solution, could re-allocate freed-up capital to new impact areas where other investors will not.

Luvina: In the future, I would love to see us try and further maximize impact, both social and environmental, while ensuring superior financial results for our investors. This will further prove out the case that we can do good and do well. To do that I can see us becoming more innovative in terms to align with our impact thesis. We'd like to ensure that both impact and financial return are embedded in all our transactions; across a wide spectrum of impact sectors and companies – including the companies that are undergoing transitions to more sustainable models.



As at 31st December 2023

#### **PRIVATE CREDIT**

Investee	Summary / description	Impact Theme	Region
Acceso Crediticio	Provides loans to self-employed taxi drivers, MSMEs and bus route operators to purchase energy efficient vehicles	Financial Inclusion	Latin America
Acrecent	Provides financing for underserved MSMEs in Puerto SME Growth Rico in sectors such as healthcare, commercial real estate, and hospitality		Latin America
Amret	Provides financial services for underserved low-income Agriculture individuals and MSMEs, particularly in the agricultural sector in rural areas		Asia
Avista	Provides payroll lending to underbanked pensioners in Colombia, focusing on the two lowest income strata	Financial Inclusion	Latin America
Banco Pichincha	Provides a broad suite of affordable financial products and services to traditionally underserved populations	Financial Inclusion	Latin America
Bayport Colombia	Provides lending to underserved individuals who are typically unable to access financial services due to income constraints and limited credit history	Financial Inclusion	Latin America
Bayport Management	Provides productive use payroll-lending solutions to Financial underserved public sector employees and the formally Inclusion employed mass market		Africa
САРЕМ	Provides financial services and strategic consulting SME Growth support to underserved MSMEs across Mexico		Latin America
First Finance	Improves access to home ownership through financing to low- and middle-income households with little to no access to formal housing financial services  Affordable Housing		Asia
INSOTEC	Provides financial services to underserved MSMEs, Financial with a particular focus on rural microentrepreneurs and smallholder farmers		Latin America
Laudex	Provides education loans to improve low- and middle-income students' access to higher education		Latin America

Investee	Summary / description	Impact Theme	Region
LOLC Cambodia	Provides a diverse suite of financial products to Financial underserved households living in peri urban and rural Inclusion areas		Asia
Lulalend	Provides quick turnaround, uncollateralized online working capital loans to underserved owners of small to medium-sized businesses	SME Growth	Africa
PACE	Provides financing for energy efficiency and renewable energy projects	Decarbonization	US / Canada
Platinum Kenya	Provides payroll lending as well as loans to micro and small enterprises Inclusion		Africa
ProCredito	Provides affordable and responsible financial products  to underserved MSMEs to aid in green transition for public transport and select agricultural sectors		Latin America
Pursuit	Offers technology focused training, workforce development programs and holistic employment mentorship to low-income individuals from underserved communities		
True Finance	Provides financing for underserved rural and semi- urban MSMEs and individuals to purchase income generating productive vehicles	SME Growth Asia	
Tugende Global	Provides lease-to-own financing, which enables Financial financially underserved individuals to own motorcycle Inclusion taxis and other income-generating assets		Africa
Varthana	Provides loans to affordable private schools to increase Education access to quality education in low-income communities		Asia

#### **PRIVATE EQUITY**

Investee	Summary / description	Impact Theme	Region US / Canada	
80 Acres	A controlled environment agriculture company producing a range of salad products and high-value ingredients in a resource efficient and climate resilient manner	Resource efficiency		
АМР	Pioneer in Al-powered automated waste sortation, maximizing the recovery of valuable materials that would otherwise have gone to landfill	Resource efficiency	US / Canada	
BroadReach	Supports other organizations to deliver better health outcomes through harnessing health technology and innovation	Healthcare	Africa	
CarbonCure	Creates technologies that introduce captured ${\rm CO_2}$ into fresh concrete to reduce its carbon footprint, without compromising performance.	Decarbonization	US / Canada	
Goodlife	Leading pharmacy chain in East Africa, increasing access to affordable high-quality medicines	Healthcare	Africa	
Lifecycle Renewables	Produces renewable heating oil out of used cooking oil that it collects from foodservice partners.	Decarbonization	US / Canada	
NeoGrowth	Provides unsecured financing to underserved MSMEs in India, underwritten by digital payments and customer transactions	SME Growth	Asia	
Runa	Owns and operates the world's only supply chain of Guayusa, working in close partnership to improve the livelihoods of indigenous farming families in the Amazons	Agriculture	Latin America	
Sense Labs	Supports homeowners to reduce energy consumption by providing real-time home energy intelligence and enables greater electricity demand flexibility	Decarbonization	US / Canada	
Shared-X	Produces and commercializes specialty and organic crops alongside smallholder farmers using regenerative agricultural practices	Agriculture	Latin America	
Sunfire	Develops and manufactures industrial electrolyzers for Decarbothe production of renewable hydrogen		Europe	
SWTCH Energy	Provides turnkey electric vehicle charging solutions for multi-tenant buildings across North America	Decarbonization	US / Canada	
Tyme Group	Provides lower income consumers and small business owners in South Africa and the Philippines with affordable access to basic financial products and services	Financial Inclusion	Emerging Markets Diversified	

#### **FUNDS**

Investee	vestee Summary / description		Region
Accion Frontier Inclusion Fund	Invests in innovative companies that expand access to financial services for underserved consumers and businesses in emerging markets	Financial Inclusion	Emerging Markets Diversified
Accion Quona Inclusion Fund	Invests in innovative companies that expand access to financial services for underserved consumers and businesses in emerging markets	Financial Inclusion	Emerging Markets Diversified
Achieve Partners Edtech Buyout Fund	Investing in educational technology investments across early childhood, higher education, vocational and corporate learning	Education	US / Canada
African Development Partners III	Invests in a diversified pan-African portfolio of investments in established and growing companies, promoting job creation in the region	SME Growth	Africa
African Infrastructure Investment Fund IV	Invests in infrastructure assets across Africa, with specific focus on the digital infrastructure, energy transition and mobility sub-sectors	Multi-theme	Africa
Apis Growth Fund II	Invests in growth-stage companies promoting access, quality, and affordability of financial services for financially excluded MSMEs and emerging consumers in Africa and Asia	Financial Inclusion	Emerging Markets Diversified
Apis Growth Markets Fund III	Investing in growth-stage companies promoting access, quality, and affordability of financial services for financially excluded MSMEs and emerging consumers in Africa and Asia	Financial Inclusion	Emerging Markets Diversified
Bridge Workforce and Affordable Housing Fund	Investing to provide quality, affordable housing to cost burdened households, and supporting social services and community spaces	Affordable Housing	US / Canada
Bridge Workforce and Affordable Housing Fund II	Investing to provide quality, affordable housing to cost burdened households, and supporting social services and community spaces	Affordable Housing	US / Canada
Cheyne Social Property Impact Fund	Investing to provide decent affordable housing to households in need, in partnership with social sector organizations, in the United Kingdom	Affordable Housing	Europe
Creation Social Investments V	Invests in high growth companies that provide access to financial services for low-income individuals and MSMEs in Asia and Latin America	SME Growth	Emerging Markets Diversified
GEF US Climate Solutions Fund II	Small-cap buyout fund focused on clean energy, energy efficiency, waste and water sectors in US and Canada	Decarbonization	US / Canada

Investee	Summary / description	Impact Theme	Region	
Growth Catalyst Partners	Invests in growth stage businesses that use entrepreneurial solutions to improve the lives of low-income households in India	SME Growth	Asia	
Horizon Capital Growth Fund II	Invests in tech/tech-enabled fast-growing local companies across Ukraine and Moldova, with a focus on high-quality jobs and gender equality	SME Growth	Europe	
Horizon Capital Growth Fund IV	Invests in tech/tech-enabled fast-growing local companies across Ukraine and Moldova, with a focus on high-quality jobs and gender equality	SME Growth	Europe	
IHS Fund II	Investing in affordable green housing for lower- and middle-income families in South Africa	Affordable Housing	Africa	
LeapFrog III	Invests in financial services and healthcare businesses that provide quality, relevant and affordable products to the two billion (and rising) underserved emerging consumers		Emerging Markets Diversified	
Lok Capital IV	Invests in high growth, technology-driven companies across the financial inclusion, healthcare, agriculture, and climate sectors in India	Multi-theme	Asia	
Lombard Asia V	Asia, with a focus on promoting quality job creation and gender equality		Asia	
Navegar II	Provides growth capital to established companies SME Grow across sectors in the Philippines		Asia	
Northern Arc India Impact Fund	dia Providing debt finance to MSMEs in India, and promoting financial inclusion		Asia	
Quadria Capital Fund II	ital Fund II  Invests in high potential healthcare companies in Asia, increasing access to affordable, high quality healthcare to Asia's underserved populations		Asia	
Quadria Capital Fund III	Invests in high potential healthcare companies in Asia, increasing access to affordable, high quality healthcare to Asia's underserved populations	Healthcare	Asia	
Quona Accion Inclusion Fund III	Invests in innovative companies that expand access to financial services for underserved consumers and businesses in emerging markets	Financial Inclusion	Emerging Markets Diversified	
RockPort III Multi-asset continuation fund delivering environmental impact through sustainable agriculture and battery technologies		Decarbonization	US / Canada	

Investee	Summary / description	Impact Theme	me Region	
SPE AIF I	Invests across multiple sectors including Education, Healthcare, Manufacturing and Business Services in North Africa		Africa	
Tata Capital Healthcare II	Invests in growth stage companies that improve access to quality, affordable healthcare in India			
TRG Africa Mezzanine Partners 3	Invests in mid-market companies operating in East and Southern Africa via a broad spectrum of mezzanine financing instruments	SME Growth	Africa	
University Partners SPV-I	Medical education platform supporting university  Students and staff to achieve their respective learning and teaching goals		US / Canada	
Vantage Mezzanine IV (USD)	Invests multi-sector across Africa via mezzanine and SME Growth senior debt		Africa	
Vantage Mezzanine IV (ZAR)	Invests multi-sector across Africa via mezzanine and senior debt	SME Growth	Africa	

#### **REALIZED INVESTMENTS**

Investee	Summary / description	Impact Theme	Region	Asset Class	
Greenlight Planet	Delivers affordable energy by designing and distributing "Sun King" solar products to the world's one billion under-electrified consumers	Energy Access	Emerging markets diversified	Private Credit	
Bayport Colombia	Provides lending to underserved individuals who are typically unable to access financial services due to income constraints and limited credit history	Financial Inclusion	Latin America	Private Credit	
Bayport Mexico	Provides lending to public sector employees and pensioners who are typically unable to access financial services due to income constraints and limited credit history	Financial Inclusion	Latin America	Private Credit	
Cooprogreso	Offers financial products and services to support economic development of its members, largely microentrepreneurs and communities	Financial Inclusion	Latin America	Private Credit	

Investee	nvestee Summary / description		Region	Asset Class
Tropical Landscape Finance Facility I	Provides long term financing to an operator of a sustainable rubber plantation, which provides steady, fair wages to low-income farmers	Food & Agriculture	Asia	Private Credit
i-Finance Leasing	Provides affordable leases to low- income individuals and MSMEs to purchase productive assets such as motorbikes, cars, appliances and equipment	SME Growth	Asia	Private Credit
Covalto (formerly Credijusto)	Technology enabled financial services company providing affordable products to the underserved and rapidly growing MSME market	Financial Inclusion	Latin America	Private Credit
LOLC Cambodia	Provides a diverse suite of financial products to underserved households living in peri urban and rural areas	Financial Inclusion	Asia	Private Credit
Lulalend	Provides quick turnaround, uncollateralized online working capital loans to underserved owners of small to medium-sized businesses	SME Growth	Africa	Private Credit
Tugende Global	Provides lease-to-own financing, which enables financially underserved individuals to own motorcycle taxis and other income-generating assets	Financial Inclusion	Africa	Private Credit
Varthana	Provides loans to affordable private schools to increase access to quality education in low-income communities	Education	Asia	Private Credit
Asia Institute of Gastroenterology	Provides quality healthcare to underserved and low-income patients in India through a unique cross-subsidization model and the reservation of bed capacity for low-income patients	Healthcare	Asia	Private Equity
BlueOrchard Microfinance Fund	Investing in socially responsible microfinance institutions, which predominantly provide loans for productive activities including trade, agriculture, and services	Financial Inclusion	Emerging markets diversified	Funds

# **Appendix B**

## **Impact Measurement Methodology**

In this Appendix we describe the definitions, approaches and methodologies for our data collection, analysis and reporting.

Impact Pillar	Impact Theme	Key metrics	Metric Description (and IRIS+ code where relevant)
Inclusive Growth	Financial Inclusion - Individuals and Microenterprises	Total individuals financed, including microenterprises	Client Individuals - Total (PI4060)  Client Organizations: Microenterprises (PI9713)
Inclusive Growth	Financial Inclusion - Individuals and Microenterprises	Total individuals financed - women	Client Individuals: Female (PI8330)
Inclusive Growth	Financial Inclusion - Individuals and Microenterprises	Total individuals financed - rural	Client Individuals: Rural (PI6652)
Inclusive Growth	Financial Inclusion - Individuals and Microenterprises	Client protection policy	Client Protection Policy (OI4753)
Inclusive Growth	Financial Inclusion - Individuals and Microenterprises	Non-financial support offered	Non-financial Support Offered (PD9681)
Inclusive Growth	Financial Inclusion - All	Client feedback system	Client Feedback System (OI5049)
Inclusive Growth	SME growth	Total SMEs financed	Client Organizations: SME (PI4940)
Inclusive Growth	SME growth	Jobs supported at directly supported/financed enterprises	Jobs in Directly Supported/Financed Enterprises (PI4874)
Inclusive Growth	SME growth	Non-financial support offered	Non-financial Support Offered (PD9681)
Inclusive Growth	SME growth	Client satisfaction	Target Stakeholder Satisfaction Ratio (PI7163)
Inclusive Growth	Agriculture	Total farmers supported	Client Individuals - Total (PI4060)
Inclusive Growth	Agriculture	Total farmers - women	Client Individuals: Female (PI8330)

Impact Pillar	Impact Theme	Key metrics	Metric Description (and IRIS+ code where relevant)
Inclusive Growth	Agriculture	Total smallholder farmer clients	Client Individuals: Smallholder (PI6372)
Inclusive Growth	Agriculture	Farmers trained	Individuals Trained: Total (PI2998)
Access to Essential Services	Education	Total number of schools supported	Client Organizations: Total (PI9652)
Access to Essential Services	Education	Total number of students supported	Client Individuals - Total (PI4060)
Access to Essential Services	Education	Total students - women	Client Individuals: Female (PI8330)
Access to Essential Services	Education	Total students - rural	Client Individuals: Rural (PI6652)
Access to Essential Services	Education	Number of educational loans for students	Number of Loans Outstanding (PI1478)
Access to Essential Services	Education	Number of students receiving vocational or technical training	Vocational/Technical Training (PI8836)
Access to Essential Services	Education	Support services offered	Non-financial Support Offered (PD9681)
Access to Essential Services	Healthcare	Total number of healthcare facilities managed	Healthcare Facilities (PI1017)
Access to Essential Services	Healthcare	Total number of patients served	Client Individuals - Total (PI4060)
Access to Essential Services	Healthcare	Total patients - women	Client Individuals: Female (PI8330)
Access to Essential Services	Healthcare	Total patients - rural	Client Individuals: Rural (PI6652)

Impact Pillar	Impact Theme	Key metrics	Metric Description (and IRIS+ code where relevant)
Access to Essential Services	Healthcare	Support services offered	Non-financial Support Offered (PD9681)
Access to Essential Services	Healthcare	Healthcare products: units or volumes sold	Units/Volume Sold: Total (PI1263)
Access to Essential Services	Healthcare	Client feedback system	Client Feedback System (OI5049)
Access to Essential Services	Healthcare	Quality assurance	Quality Assurance Mechanism (PI3863)
Access to Essential Services	Affordable housing	Total housing units financed (constructed or preserved)	Number of Housing Units Financed (adapted from PI5965 to focus on constructed or preserved in the reporting period)
Access to Essential Services	Affordable housing	Total housing units considered affordable	Percent Affordable Housing (PD5833)
Access to Essential Services	Affordable housing	Total individuals housed	Client Individuals - Total (PI4060)
Access to Essential Services	Affordable housing	Support services offered	Non-financial Support Offered (PD9681)
Climate Action	Climate / Environment	GHG emissions avoided (from products sold)	Amount of GHG emissions avoided during the reporting period that is directly attributable to the use of a company's products or services, relative to an incumbent/baseline scenario representing what would have happened using products or services otherwise dominant in the market. This is assessed on a year-on-year basis (i.e. capturing all emission reductions occurring from products in use during the reporting period, regardless of year of sale), not on a forward-looking basis (i.e. all future avoided emissions assessed in the year of sale).

Impact Pillar	Impact Theme	Key metrics	Metric Description (and IRIS+ code where relevant)
Climate Action	Climate / Environment	Waste avoided (from products sold)	BlueEarth only considers the amount of waste avoided during the reporting period that is directly attributable to the use of a company's products or services, relative to an incumbent/baseline scenario representing what would have happened using products or services otherwise dominant in the market.
Climate Action	Climate / Environment	Water consumption avoided (from products sold) / Energy consumption avoided (from products sold)	BlueEarth only considers reduction in water consumption during the reporting period that is directly attributable to the use of a company's products or services, relative to an incumbent/ baseline scenario representing what would have happened using products or services otherwise dominant in the market.
Climate Action	Climate / Environment	Operational certifications	Operational Certifications (OI1120)



As output metrics aim to reflect performance in the investees' calendar year 2023, this report has been prepared based on impact data as of 31 December 2023.

#### Investee reported data

BlueEarth collects data from portfolio companies and leverages internal and external data sources to measure the impact reported in the Annual Impact Report. Investee impact performance results against the impact metrics included within this Annual Impact Report are based on data provided by the portfolio companies.

#### Investee modelled data

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 selfreported GHG avoidance, where the data is provided with sufficient detail on the calculation methodology. For our direct investments, BlueEarth engages with investees to review and, where necessary, improve their approach to GHG impact measurement, drawing on recognized best practices including from the GHG Protocol, WBCSD and Project Frame.

#### **BlueEarth's Attributed Impact (modelled data)**

Although it is common practice in impact investing to report on the total impact delivered by an investor's underlying portfolio, BlueEarth believes that this approach does not fairly reflect the actual impact generated by the investor's capital and it leads to overstating of the results. For example, using this approach, an investor holding a 10% stake in an SME lender that makes financial services accessible for 10,000 SMEs often includes the full 10,000 SMEs within its reported impact data. Alongside reporting total impact performance figures, BlueEarth calculates the pro-rata impact that is attributable to its share of capital provided, based on % shareholding in the case of equity investments, and % contribution to an investee's total capitalization (debt plus equity) in the case of credit investments (i.e. a BlueEarth contribution towards financing 1,000 SMEs, in the example above). Of note, for fund investments, BlueEarth calculates its attribution on a "look-through" basis (i.e. tracking impact KPIs on a portfolio company basis, attributed based on BlueEarth's capital contribution to the total fund and the fund's shareholding/capital contribution to each underlying portfolio company). While we consider this attribution to be an important step to better reflect BlueEarth's contribution to the impact achieved by our portfolio, we also acknowledge the significant limitations, such as not accounting for the many nonfinancial contributions made by various stakeholders.

#### **Data presentation**

Unless specified otherwise throughout the report, impact performance results attributable to BlueEarth refer to the data for the whole BlueEarth platform (i.e. consolidated data for all vehicles managed by Blue Earth Capital AG).

As of 2023, we no longer report on estimated 'lives touched'. Instead, we only report on numbers we can specifically count and that are directly related to the products/services provided by our portfolio companies. When calculating total individuals served, we employed the following formula: Individuals served = individuals financed + students supported + patients served + farmers served.

Provision of financial services to microenterprises has been included within 'Individuals financed' and excluded from 'SMEs financed'.

As is often the case with impact performance, one client may represent a large proportion of impact results against any given metric.

#### Limitations

As in previous years, BlueEarth has undertaken checks to validate data reported by investees. Additionally, this year we have introduced new data quality checks to improve the confidence of the numbers we receive, analyze, and report. That said, the impact performance data we receive and report on is not validated or verified by third parties and, as such, could include inconsistencies or errors.

This impact report presents impact performance results for the 2023 reporting period against KPIs only and, as such, this approach is not fully reflective of the wider, more nuanced impact created by portfolio companies over time.

#### **Case Studies**

The case studies included in this impact report are exemplary-positive cases: they were selected to showcase investments under each Investment theme in BlueEarth's portfolio which demonstrate strong impact performance in 2023 and other unique features, specifically: innovative commercial-impact aligned investee business model, reaching the last mile population, demonstrating outcome-level measurement and management, and/or innovative investor contribution by BlueEarth. BlueEarth believes there is significant learning to offer to the Impact Investing ecosystem by showcasing the impact stories of these particular investments; however, we note that the selection of these cases has not resulted in a representative sample of the 2023 impact performance of the impact theme or portfolio, or the structure of the portfolio itself.

Six case studies are included. All six were developed using documentation and data provided by the investees themselves as well as from BlueEarth's due diligence and ongoing market research, as well as ongoing monitoring and investee engagement. For three of the cases - CarbonCure, Pursuit, and Tyme Group - representatives from the investee leadership and/or impact performance teams were interviewed, allowing for a more nuanced description of the unique features of the case, as well as reflections on the partnership by the investee and by BlueEarth.

# **Appendix C**

# **List of Acronyms**

AUM - Assets Under Management	IRIS - Impact Reporting and Investment Standards		
CCUS - Carbon Capture, Utilization and Storage	KPI - Key Performance Indicator		
CDR - Carbon Dioxide Removal	LP - Limited Partner		
CGAP - Consultative Group to Assist the Poor	LPAC - Limited Partner Advisory Committee		
<b>DE&amp;I -</b> Diversity, Equity, and Inclusion	MSME - Micro, Small, and Medium Enterprise		
<b>DFI</b> - Development Finance Institution	MSW - Municipal Solid Waste		
ESG – Environmental, social, and governance	NO <sub>x</sub> – Nitrogen Oxides		
ESMS - Environmental and Social Management System	NPS - Net Promotion Score		
FDI – Foreign Direct Investment	<b>OPIM -</b> Operating Principles for Impact Management		
GDP – Gross Domestic Product	<b>PE</b> – Private Equity		
GEF – Global Environment Facility	PRI - Principles for Responsible Investment		
GHG - Greenhouse Gases	RSF - Recovered Solid Fuels		
GIIN - Global Impact Investing Network	SDG - Sustainable Development Goals		
GP – General Partner	SME - Small and medium-sized enterprise		
GtCO <sub>2</sub> e - tonnes of global annual carbon	tCO₂e - tonnes of carbon dioxide equivalent		
dioxide equivalent  IMM - Impact Measurement and Management	<b>TSVCM -</b> Taskforce on Scaling Voluntary Carbon Markets		
IPCC - Intergovernmental Panel on	UN - United Nations		
Climate Change  IFC – Internal Finance Corporation	UNESCO – United Nations Educational, Scientific and Cultural Organization		
ILO – International Labour Organization	VCM - Voluntary Carbon Market		

WHO - World Health Organization

IPO - Initial Public Offering



## **Blue Earth Capital AG**

Neuhofstrasse 4 6340, Baar-Zug Switzerland

www.blueearth.capital