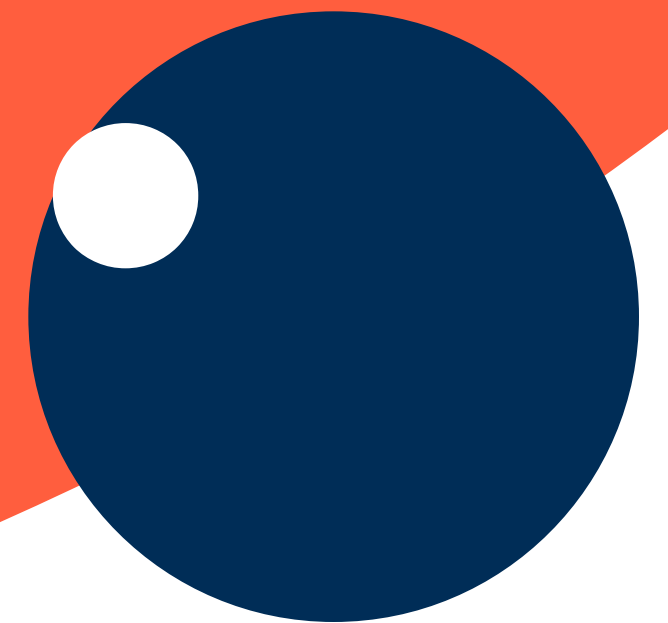


IMPACT AND SUSTAINABILITY REPORT

2023

BLUE LIKE AN **ORANGE**
Sustainable Capital



FOREWORD



Amidst challenging market conditions over the past years, Blue like an Orange remains strongly committed to driving positive change in the emerging and developing regions. As we consolidate a solid track record, our “no trade-off” strategy is proving its relevance, confirming the potential to achieve positive social impact and robust financial performance. Our top performing portfolio companies are generally also the ones that achieve the most significant social outcomes. Conversely, certain investments illustrate the occasional arbitrage between the creation of social value in the short-run, through job preservation and creation, and sustainable business growth allowing the creation of social value for end-beneficiaries in the long-run. Our cases studies in the last section of the report illustrate both cases.

In 2023, Blue like an Orange has taken a significant step in strengthening its approach to impact by defining quantitative social impact objectives at sub-fund level. By measuring performance against these targets, Blue like an Orange aims to provide the team with an additional impact management tool to achieve tangible social outcomes. In line with its strategy as an SFDR Article 9 social fund, the definition of such objectives enables the teams to consistently manage impact at portfolio level and provides better guidance in engaging with portfolio companies.

Among the key lessons learned from this exercise, we have been able to refine our approach to measuring our reach of underserved communities. Blue like an Orange, in its mission to tackle unmet needs in emerging regions, recognizes that underserved individuals extend beyond low-income populations. Numerous business models offer viable solutions to lower-middle-income categories who also lack access to essential goods and services.

Besides, some business models entail addressing higher-income segments with premium services to be able to reach the underserved ones at an accessible price.

As we look back on our achievements thus far, we recognize that we only stand at the beginning of the journey, mindful of the multitude of social, climate, and biodiversity challenges that persist in many regions beyond Latin America. In the context of diminishing capital flows to emerging economies in 2023 and growing hostility facing ESG investment strategies in several regions of the world, it is imperative now, more than ever, to stay steadfast in our original objectives. Through the upcoming launch – in partnership with Africa50 – of a Fund dedicated to Africa we remain committed to advocating for a rigorous approach to financing sustainable socio-economic development in emerging markets, with its share of challenges and complexities.

Bertrand Badré, Emmanuelle Yannakis, and Rashad Kaldany,
Managing partners and founders of Blue like an Orange



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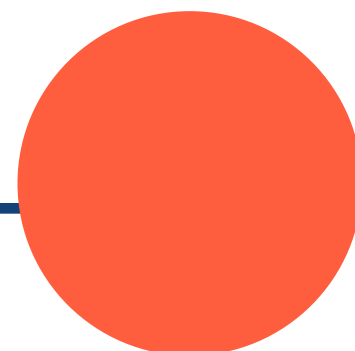
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ABOUT BLUE LIKE AN ORANGE

Fund	Blue like an Orange Sustainable Capital Fund SICAV SIF SCS
Sub-funds	Latin America Fund I ("Latam I") and Latin America Fund II ("Latam II")
Amount raised	420 million dollars
Amount invested	326 million dollars
Asset classes	Structured credit, Equity
Sectors	Tech-enabled Services, Traditional Infrastructure, Financial Services, Agriculture, Health, Education
Countries	Brazil, Mexico, Peru, Ecuador, Colombia, or Regional
Year launched	2018 for Latam I and 2021 for Latam II
Capital Providers	30 investors, mostly Insurance Companies
SFDR classification	Art 9 Fund with 100% of investments of both sub-funds classified sustainable investments with a social objective

PORTFOLIO OVERVIEW

Investments by countries and sectors



KEY FIGURES

Over the year 2023, Blue like an Orange’s portfolio companies served almost **8 million** individuals and **91 thousand** small businesses across Latin America.

THEMATIC IMPACT PERFORMANCE	Employment	Gender	Innovation	Corporate sustainability
	18 248 portfolio companies' employees , with a net job creation of 810 100% portfolio companies providing some benefits above legal requirements	47% of all employees, 42% of managers, and 33% of the leadership positions are female among portfolio companies	29% of our portfolio companies developed new innovative products and services , 46% improved existing ones	100% of our portfolio companies have integrated sustainability into business practices 4 years after our investment
	Financial institution	Agriculture	Social services	Infrastructure
	4 581 073 individuals and 63 080 SMEs provided with access to finance	Economic prospects improved for 2 900 agricultural employees and 580 small scale producers	77 923 patients provided with access to healthcare 9 854 students accessing quality and affordable education	376 225 individuals and 27 827 SMEs accessing clean energy and sustainable mobility services
	SECTORIAL IMPACT PERFORMANCE¹			

2023 IMPACT PERFORMANCE OVERVIEW²

End 2023...

71%

of our portfolio companies were scored **high impact**

77%

of the portfolio companies' beneficiaries were **underserved**

Our portfolio companies **reached their impact targets** by

170%

on average, weighted by the size of investment

82%

of the overdue **environmental and social actions** defined pre-investment were **completed** by investees

¹The performance indicators here represented are output-related KPIs reflecting the portfolio companies’ overall impact. For a more complete impact analysis, these indicators are normalized and compared with sectorial GIIN IRIS+ Benchmarks, when available (see PART III - TARGETING POSITIVE IMPACT OUTCOMES IN DIRECT SUPPORT OF THE SDGs) or more information provided upon request.
²See detailed indicators’ scope and definition page 23



Country: Guatemala, Regional

Impact theme: Sustainable infrastructure

How it contributes to the SDGs:

- **Access to efficient telecommunication services in off-grid and bad-grid areas:** The company designs, manufactures, installs, and operates smart energy infrastructure solutions, fostering reliable internet connectivity and network reliability in remote areas and regions of Latin America.
- **Reduction in carbon emissions of telecommunication infrastructure:** The company supports the reduction of emissions related to telecommunications by providing solar-based smart energy infrastructure solutions to telecom operators.

Investment amount: USD 20 million

Expected contribution as investor: Latin America Fund II's investment will serve the development of new sites across Latin America and the Caribbean.



Country: Ecuador

Impact theme: Sustainable agriculture

How it contributes to the SDGs:

- **Creating stable and secure employment:** Colour Republic produces and exports flower bouquets, creating economic opportunities for the surrounding communities, in particular by providing full-time jobs with good labor conditions to vulnerable populations, including rural women and workers with low education levels.
- **Promoting sustainable practices in the local flower industry:** The company has among the best practices compared to other flower producers in the region, both in terms of agrochemicals use, water and waste management, and labor rights.

Investment amount: USD 20 million

Expected contribution as investor: Latin America Fund II's investment will serve to expand Colour Republic's operations, stimulating employment creation.



Country: Mexico

Impact theme: Access to Finance

How it contributes to the SDGs:

- **Financial inclusion:** Fuentebuena, through its two brands Aprecia and Pilotea, share a common core mission to provide financial products to underserved individuals, which allows an important improvement in their life conditions and economic status.
- **Decent housing:** Aprecia offers payroll loans to public municipal employees who remain largely underserved or unbanked. These loans are used primarily for home improvement purposes.
- **Support to entrepreneurship:** Pilotea offers leases of gas-converted vehicles to ride-sharing platform drivers in Mexico, increasing income and promoting self-employment to drivers previously depending on vehicle fleets.

Investment amount: USD 18 million

Expected contribution as investor: Latin America Fund II's investment is expected to support a moderate growth of Aprecia's activities, and to bring Pilotea to scale.



Country: Mexico

Impact theme: Access to Finance

How it contributes to the SDGs:

- **Access to credit for SMEs:** The company finances the growth of SMEs across Mexico, until they can access traditional banks.
- **Advisory to SMEs:** Through its Smart Money program, CAPEM supports SMEs through an in-house consulting program focused on common issues faced by SMEs in their development, helping them to operate more efficiently and make better-informed strategic decisions.

Investment amount: USD 10 million

Expected contribution as investor: Latin America Fund II invested in CAPEM to support the growth of its loan portfolio, expected to reach approximately 200 new SMEs.

APPLYING A CLIMATE LENS TO OUR SOCIAL IMPACT INVESTMENTS

With a social impact thesis, Blue like an Orange contributes to financing the climate transition in a manner that is inclusive and equitable.

Investments contributing to Climate mitigation or adaptation

End 2023, climate-related deals represent 21% of portfolio companies and 40% of assets under management³, 83% of which being EU Taxonomy eligible⁴.

Company (ordered by the size of investment)	Mitigation – Clean energy	Mitigation – Climate solutions	Mitigation – Decarbonization	Adaptation	SDG contribution accounted for in the SDG Blue impact score	
					Climate action	Socio-economic distribution and equity
Origo	✓				7.2 – Renewable energy generation	7.1 – Access to affordable and clean energy
Cabify			✓		9.4 – Sustainable infrastructure & adoption of clean technologies (electrification of the fleet)	11.2 – Safe, affordable, accessible, and sustainable transport system
Solinftec		✓		✓	13.2 – Climate change measures (resilience)	12.4 – Sound chemicals management (limit use of agrochemicals in agriculture)
Tembici		✓		✓	11.6 – Reduced environmental impact of cities	11.2 – Safe, affordable, accessible, and sustainable transport system
Hybrico	✓	✓			7.2 – Renewable energy generation	9.C – Digital inclusion



Emissions avoided by these investments

84,391 tCO₂eq of GHG emissions associated with these investments were avoided in 2023, based on the guidelines set by the Partnership for Carbon Accounting Financials (PCAF)⁵.

³Based on the residual value as of 31/12/2024

⁴Taxonomy alignment is assessed for some deals as part of the E&S due diligence. However, the taxonomy alignment rate is not yet available at portfolio level.

⁵Financed Emissions, Partnership for Carbon Accounting Financials, 2022

WHO WE ARE **PART I**



Telecom grid powered by Hybrico solar installation

OUR VISION & PURPOSE

Our vision: To achieve the Sustainable Development Goals, private funds need to be mobilized and directed towards emerging markets

Blue like an Orange Sustainable Capital (“Blue like an Orange”) was founded right after the global momentum of 2015, when the international community adopted an ambitious development agenda with the United Nations Sustainable Development Goals (SDGs) and endorsed the common aim of reaching a net-zero economy by the middle of the 21st century with the Paris Agreement (COP 21).

The same year, major multilateral development banks highlighted the role of the private sector to scale up the amounts of investments dedicated to sustainable development. The reference report “**From Billions to Trillions**”, led by one of the cofounders of Blue like an Orange, highlighted the need to move forward from traditional “development finance” and to “catalyze, mobilize and crowd in both public and private sources of funds for development”. The “Financing for Development” Conference in Addis Ababa endorsed this new global framework for financing sustainable development and adopted concrete measures that “draw upon all sources of finance, technology, innovation, trade and data in order to support mobilization of the means for a global transformation to sustainable development and achievement of the SDGs”.

Blue like an Orange was thus founded with the vision that, to achieve the UN Sustainable Development Goals, private investments should be mobilized towards entrepreneurs in emerging markets. As the “Trillions” expected globally need to be funneled on the field to local entrepreneurs, Blue like an Orange intends to serve as both a catalyst and an appropriate intermediary to succeed in the capital mobilization.

Our purpose: to make sustainable investing the new normal

Being an advocate of the “no trade-off” principle, which gives equal importance to financial returns and sustainable development outcomes, Blue like an Orange makes sustainable investing “investable” for mainstream investors.

As an investor, Blue like an Orange believes that proactive orientation towards a social purpose in every investment will both support inclusive growth and enhance the performance of the portfolio. Managing social, economic, and environmental impact is an important risk mitigation strategy for the success of the Fund’s investments.

We thus seek to invest in a diversified set of emerging market companies that deliver both strong risk-adjusted returns and social impact in direct support of the Sustainable Development Goals (SDGs).

Through the development of our fundraising and financing activities, and by making sustainable investing in emerging countries a central topic on the agendas of commercial private investors and international decision-makers, Blue like an Orange aims at filling the need for SDG-focused investing in developing economies where capital needs are most significant.

As our activities are growing beyond Latin America, particularly in Africa and soon globally, we remain true to our original vision and purpose.

OUR INVESTMENT STRATEGY

A focus on structured credit: a flexible financing to support entrepreneurs

By focusing on structured credit, Blue like an Orange fills a financing gap for entrepreneurs in emerging markets - in Latin America and the Caribbean, in particular. Indeed, structured credit supports the expansion of companies without significant change in ownership or control. It is an alternative source of financing that aligns interest among stakeholders, allows for tailored transactions and strengthens the incentives for entrepreneurs to build and grow their businesses.

A combination of impact themes to foster social changes in emerging markets

Blue like an Orange's investment strategy aims at inducing positive changes on selected cross-sector impact themes, that we consider a baseline for any company to positively affect sustainable development in emerging countries regardless of the sector, country or size of the investment, and sector-based impact themes, in which investments can have a significant contribution, given the sectorial strategy of the Fund.

Blue like an Orange's general Theory of Change

Blue like an Orange's impact thesis is described here in the form of a theory of change that applies to all the investments in the portfolio and highlights:

- the sustainable development challenges that the activities and outputs are intended to address;
- the intended outcomes;
- the investor contribution (financial and/or non-financial).

Supporting evidence, analysis, and assumptions made in this theory of change are not detailed here. The theory of change was mostly built on the conclusions of the report "From Billions to Trillions" referred to above. Other sectorial and/or country reports were used as references.

Limitations

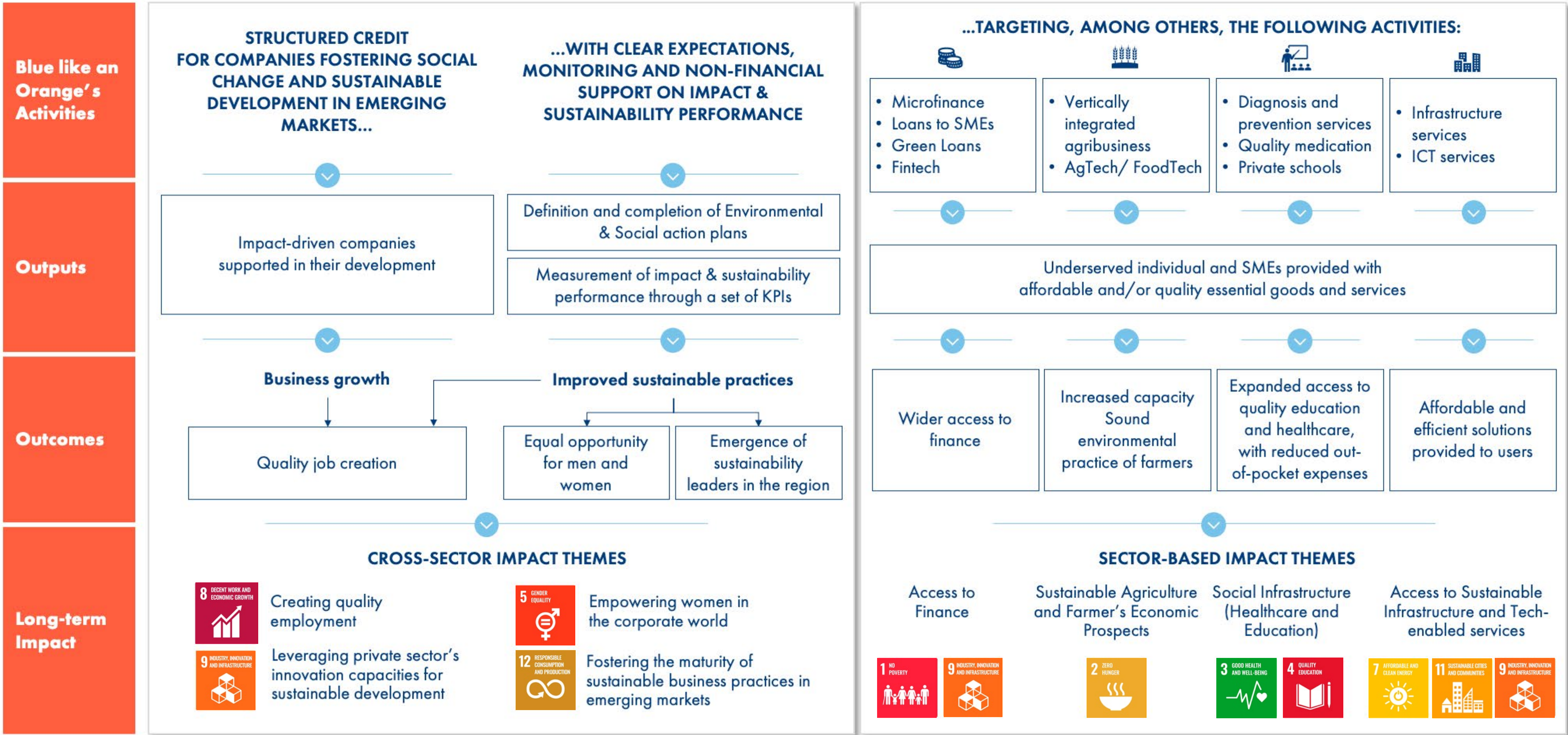
Although we do aim for outcomes and impact, we recognize the complexity of measuring it at portfolio or sectorial level and remain conscious that our impact assessments at this level are often limited to outputs. Furthermore, our Theory of Change does not reflect the way in which we address impact and sustainability risks, but our investment process integrates a detailed analysis of the impact risks of each transaction.

Definitions used in the report⁶:

- **Output:** *The direct result of entities' activities, including products, services, and by-products.*
- **Outcome:** *The level of well-being experienced by people or condition of the natural environment that results from the actions of the entity, as well as from external factors.*
- **Impact:** *The effect of entities' actions on people and/or the natural environment over the short-, medium- and long-term.*

⁶Source : Impact Performance Reporting Norm, Impact Frontier

Blue like an Orange's
general Theory of Change



SHOW-CASE THE "NO TRADE-OFF" PRINCIPLE BETWEEN RETURN AND IMPACT & LEAD THE WAY TO TRANSFORM THE FINANCIAL SECTOR

OUR ORGANISATION AND GOVERNANCE

Blue like an Orange has designed a comprehensive organization and governance for sustainability that involves the different teams and governance bodies of the Fund.

A strong collaboration between the financial and sustainability teams through a unique investment process

Blue like an Orange's impact and sustainability approach rely on the cooperation between the investment and sustainability teams during the whole investment process, from screening to monitoring. Commercial and sustainability aspects are fully integrated in the impact thesis and the “SDG Blue” scoring. The due diligence, performed internally and by external third parties, is carried out jointly.

This integration guarantees the “no trade-off” principle. It is facilitated by the fact that many of the investment team members can draw on their experience of working for Development Finance Institutions, at the World Bank and the International Finance Corporation, and in the cooperative banking sector.

The sustainability voice represented in the Investment Committee (IC)

Blue like an Orange's Head of Sustainability is a member of the IC. All IC members express their views on the impact and sustainability case, which are included in the Investment Committee memo prepared jointly by the investment team and the sustainability team.



Members

- Rashad Kaldany, Managing Partner, CIO, Chairman
- Bertrand Badré, Managing Partner
- Emmanuelle Yannakis, Managing Partner, COO and Head of Sustainability
- Cristina Penteado, Managing Director
- Mauricio Orellana, Managing Director

An independent Sustainability and ESG advisory committee

Blue like an Orange's Sustainability and ESG advisory committee acts as an independent sounding board on the impact and sustainability approach. It advises sustainability-related policies and provides recommendations to continuously improve our practices. It meets at the request of the Managing Partners to provide its views and guidance related to the impact and sustainability case of an investment opportunity and for potential issues that arise during portfolio management. Its members are non-remunerated.

The Sustainability and ESG advisory committee met on November 27th 2023 to discuss the Fund's strategic impact objectives and the contemplated quantitative impact targets to support those. Its members performed a critical review of the present report.



Members

- Robert Calcagno - CEO of the Monaco Oceanographic Institute
- Sir Ronald Cohen - Chair of Global Steering Group for Impact Investment
- Florence Didier-Noaro - Founder and CEO of Innwise
- Eme Essien Lore - Senior Advisor and Independent Consultant
- Anita Marangoly George - Founder & Partner of Edhina Capital Advisors LLP
- Jean-Marc Jancovici
- Sabine Lochmann - Executive Director (American and French companies) and Leader of business transformation projects, with an emphasis on innovation and social and digital challenges.
- Ana Laura Magalhães - Co-Founder of Humana.org.br
- Muriel Pénicaud - Independent Director, Chair of the Sakura Fund, Former French Minister of Labour
- Brune Poirson - Chief Sustainability Officer of Accor
- Bruno Roche - Founder & Executive Director of Economics of Mutuality, Geneva, CH
- Ambassador (ret.) John Simon - Managing Partner of Total Impact Capital

OUR COMMITMENTS AND PARTNERSHIPS

An involvement in the world’s leading sustainable and impact finance initiatives

By actively engaging in national and international initiatives, Blue like an Orange contributes to the dialogue and improvement of market practices around sustainable development financing.



Operating Principles for Impact Management

As a founding adopter of the Operating Principles for Impact Management, Blue like an Orange has participated actively in several working groups since their initiation in 2019, contributing to the continuous improvement.
We publish an annual Disclosure Statement in line with the Principles, which is verified externally.



Institut de la Finance Durable

Blue like an Orange takes part in the Paris Financial Centre Task force dedicated to impact finance. It contributed to developing an Assessment Grid of a fund’s potential contribution to sustainability transformation and is signatory of the Investor Impact Charter.



Global Impact Investing Network (GIIN)

As a member of the Global Impact Investing Network⁷(GIIN), Blue like an Orange applies the IRIS+ framework on impact assessment and measurement, takes part to the development of a benchmark and joined a working group on reporting for impact investors.



Task Force on Climate-Related Financial Disclosures (TCFD)

Blue like an Orange supports the Task Force on Climate-Related Financial Disclosures (TCFD).



Principles for Responsible Investing (PRI)

Since April 2019, Blue like an Orange, through its entity Blue like an Orange Capital US LLC, is a signatory to the United Nations-supported Principles for Responsible Investment (PRI)⁸. Blue like an Orange implements the set of voluntary principles for integrating ESG factors into investment analysis and ownership practices prescribed by the PRI and reports annually to the PRI on this matter with a view to improving its practices.



Taskforce on Nature-related Financial Disclosures (TNFD)

Blue like an Orange joined the forum of the Taskforce on Nature-related Financial Disclosures (TNFD).

⁷<https://thegiin.org/current-members>
⁸<https://www.unpri.org/>

A relationship with Development Finance Institutions (DFIs)

Development Finance Institutions (DFIs) have unique knowledge and resources to thoroughly source and carry in-depth investment reviews. By working with DFIs, Blue like an Orange can conduct a more cost-effective due diligence process on potential investments, have preferred access to deal flow, assess development impact using high and market leading standards, and gain better access to data on social and financial performance.



In its first DFI relationship, focused on Latin America, Blue like an Orange is working with the Inter-American Development Bank (IDB) Group's private sector institution, IDB Invest. IDB Invest is the largest multilateral organization devoted solely to the development of Latin America and the Caribbean through the private sector. IDB Invest finances sustainable companies and projects to achieve financial results and maximize economic, social and environmental development in the region.

A co-financing framework agreement was signed with IDB Invest in June 2018, and renewed in January 2022 for investments through Latin America Fund II.



In June 2023, Blue like an Orange announced its partnership with Africa 50 to deploy structured finance instruments to fund sustainable infrastructure in Africa. Africa 50 is an infrastructure platform that contributes to Africa's growth by developing and investing in bankable projects, catalyzing public and private capital, with differentiated financial returns and impact.

OUR THOUGHT LEADERSHIP ACTIVITIES

Blue like an Orange aims to play a central role in the European and global debates relating to financing sustainable development in emerging markets and mainstreaming, on a large-scale basis, the “no trade-off” principle between financial returns and impact.

Raising awareness within the financial community

Blue like an Orange promotes responsible and impact investing within the financial community. As more firms move in this direction, notably pushed by the regulators, we have a role to ensure it develops in a sensible and effective way. The founding partners dedicate some of their time to share their expertise and knowledge of impact investing and sustainability.

Aiming for a new global financial system, enabling all countries to address poverty, climate change, and biodiversity without compromise



Blue like an Orange was actively involved in the preparation of the Summit for a New Global Financing Pact which took place in Paris in June 2023, gathering forty heads of state and government representatives,

international financial institutions and private investors. The Summit aimed at building a new contract between the Global North and South to create the right financing conditions for countries to combat poverty and climate change. As co-president of one of the Summit's four working groups and in line with Blue like an Orange's core mission, Bertrand Badré led the discussions regarding the approaches required to support the private sector in emerging and developing economies.



Advocating the role of the financial sector in saving the world

Bertrand Badré is a regular contributor for *Project Syndicate*, an international media organization that publishes and syndicates commentary and analysis on a variety of global topics, from economic policy and strategies for growth worldwide to human rights, and the environment.

Bertrand Badré is the author of two books, *Can Finance Save the World?* translated into multiple languages, and *Voulons-nous (sérieusement) changer le monde?* in which he gives his vision about rethinking the world and finance by reorienting the economic system towards building a more just and sustainable world.

Showing the way for more impact investments

Through its participation in the Sustainable Investment in Action (SIA) awards, Blue like an Orange contributes to exchange field experience and inspire new impact initiatives.

In 2023, two of the portfolio companies won a SIA award. Solinftec in the category “Ecosystems & Climate”, and Clinicas del Azucar in the category “Health & Inequality”.



HOW WE WALK OUR TALK

A diverse team of professionals located across the world.



“As the first investment professional joining the team, I have seen BlaO grow and expand over the last seven years. Since day one, the fund has implemented a strong commitment to impact and financial returns in parallel, which has only strengthened over time. The teamwork is evident, and entrepreneurial spirit is encouraged, making it an exciting place to work, as we expand into new markets.”

Anna Oleksiak



Blue like an Orange has a team of 23 professionals with diverse backgrounds and experiences, located in Luxembourg, Madrid, Mexico, Paris, São Paulo and Washington DC.

Our multicultural team is devoted to creating positive impact in the world and shares a passion for financing sustainable development in emerging markets.

To walk the talk, we publish in this report the sustainability indicators related to our own operations:

Blue like an Orange	2023
Number of staff	23
Share of female staff	48%
Share of women in managerial positions	50%
Share of women in investment committee	40%
Share of women in the investment team	38%
Share of female board members	33%
Direct emissions created – Total	162 tCO2eq
Direct emissions created – Scope 1	0 tCO2eq
Direct emissions created – Scope 2	23 tCO2eq
Direct emissions created – Scope 3	139 tCO2eq
Direct emissions offset	162 tCO2eq

Climate Neutral Now: A small-scale voluntary contribution, aligned with our values



Since 2019, Blue like an Orange has been a signatory of Climate Neutral Now, an initiative from the United Nations Framework Convention on Climate Change to encourage any business to act voluntarily against global warming.

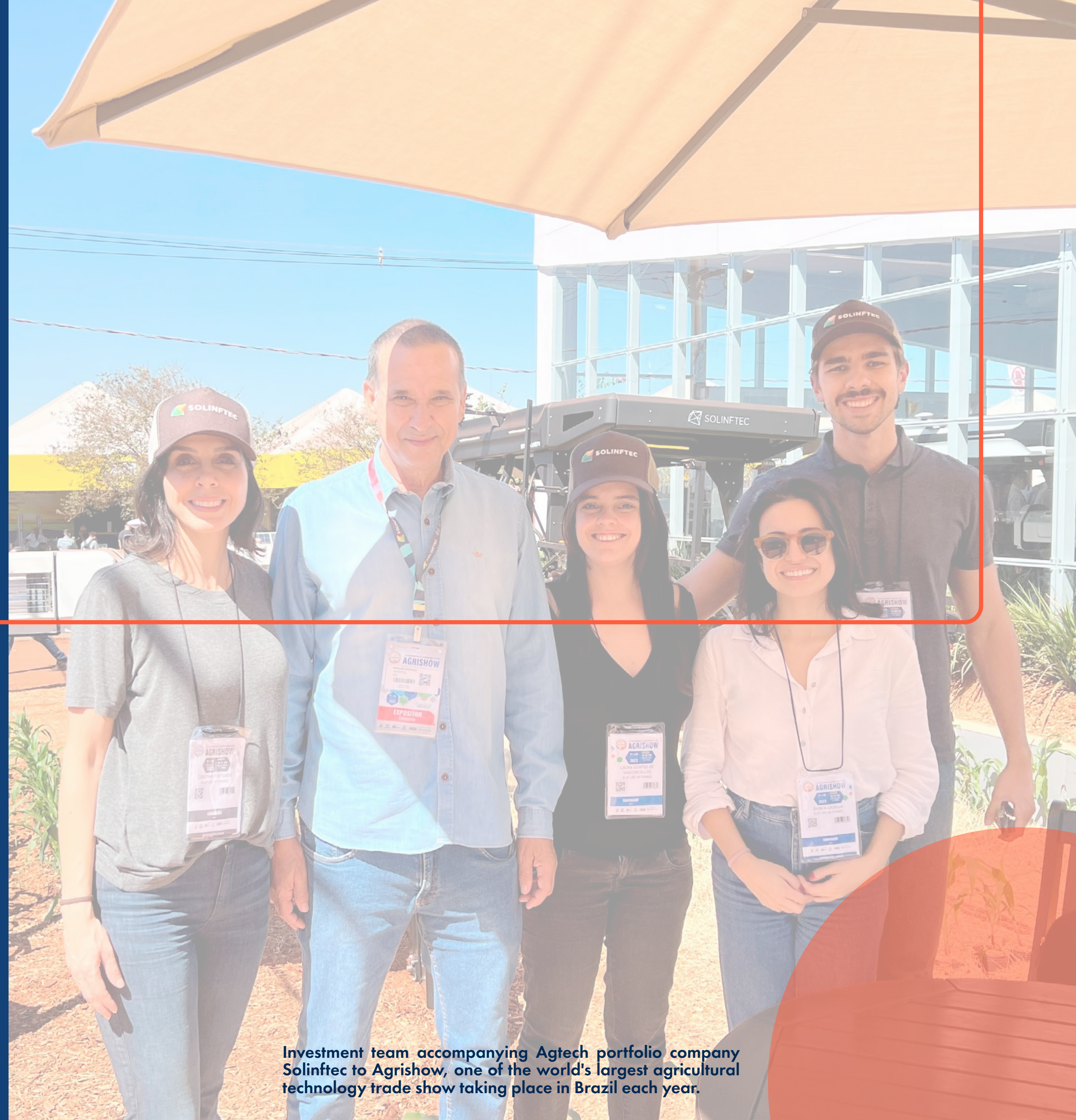
Through this initiative Blue like an Orange measures and offsets all scope 1 and 2 emissions related to its offices and to the professional travels of the team.

For the offsetting, and given the small size of our operations, the team chose to purchase every year Certified Emission Reductions (CERs) from **a project run by RIPPLE Africa in Malawi**, which combines environmental, economic and health benefits and has a material small-scale impact at local level. By replacing traditional three-stone cooking fires with fuel-efficient stoves, deforestation due to wood logging is avoided, women can spend more time for education and other activities, and health problems, such as lung cancer and pneumonia in children, are prevented.

The carbon credits issued by RIPPLE enable to expand the project, but also support other activities such as fish conservation, tree planting, forest conservation, education and healthcare services in this area.

DRIVING IMPACT THROUGH OUR ENGAGEMENT WITH PORTFOLIO COMPANIES

PART II



Investment team accompanying Agtech portfolio company Solinftec to Agrishow, one of the world's largest agricultural technology trade show taking place in Brazil each year.

A STRONG RELATIONSHIP WITH PORTFOLIO COMPANIES

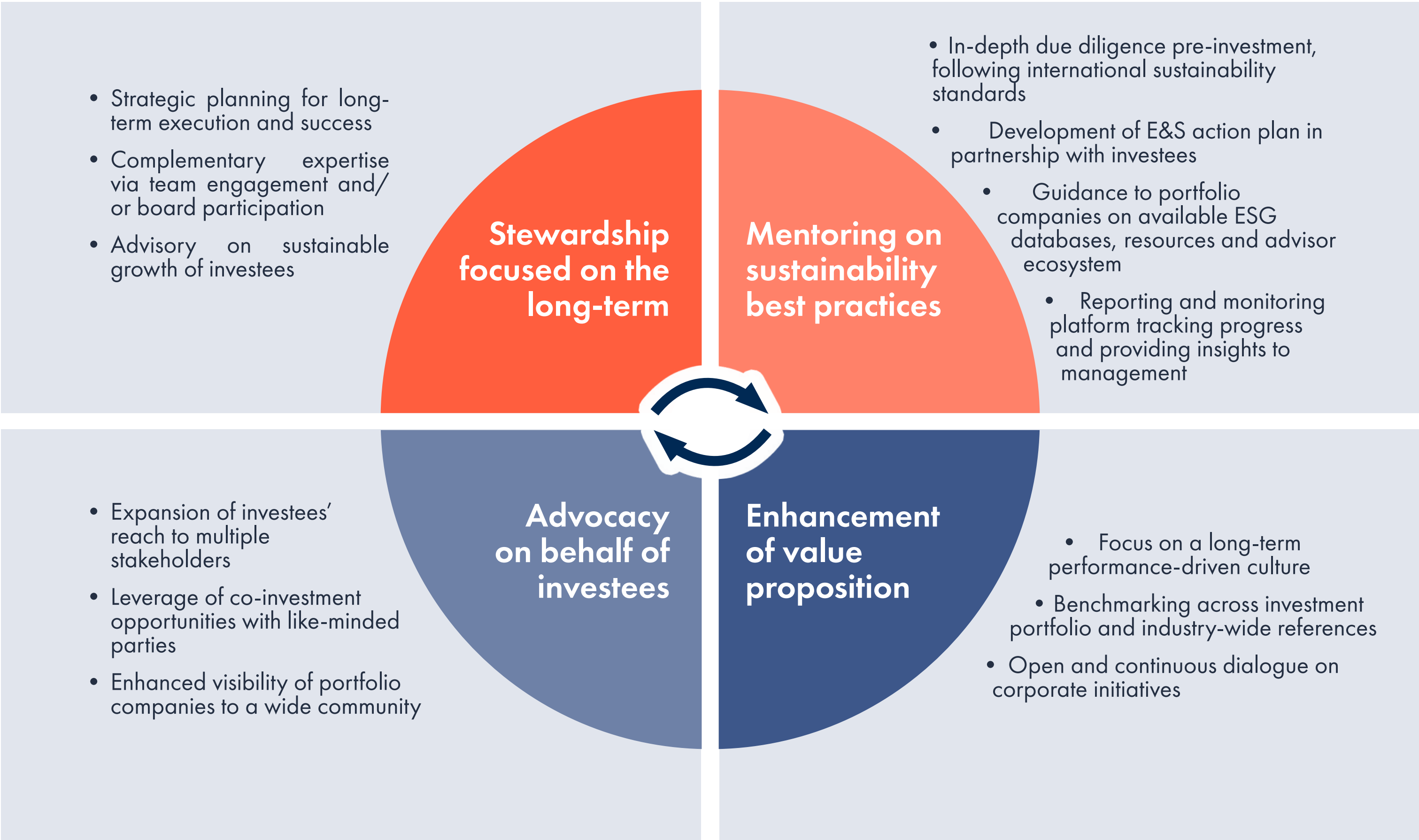
Blue like an Orange engages with companies during the whole period of investment to ensure alignment between the Fund’s sustainable transformation strategy and that of the companies’ expectations and help them reach their full impact potential over time.

Our active dialogue with the investees starts when the investment team initially engages with the company, continues through the investment process until transaction documents are agreed upon. Within these documents, an environmental and social action plan and reporting requirements are defined and formalized, which will be monitored throughout the life of the investment.

The Fund’s active dialogue with the investees is multi-fold and reinforces our impact additionality as investors.

Private-debt investors are traditionally less involved in the portfolio companies’ governance bodies than Private-equity ones. However, Blue like an Orange has a seat at the Board, or is invited as an observer, and is thus in a position to influence decisions in a majority of its portfolio companies. In 2023, Blue like an Orange was designated as Board Member in one more portfolio company.

Investee companies in which the Fund is represented at the board of directors	%
Fund designated as Board Member	13%
Fund designated as Board Observer	50%
Fund not represented at the Board	37%

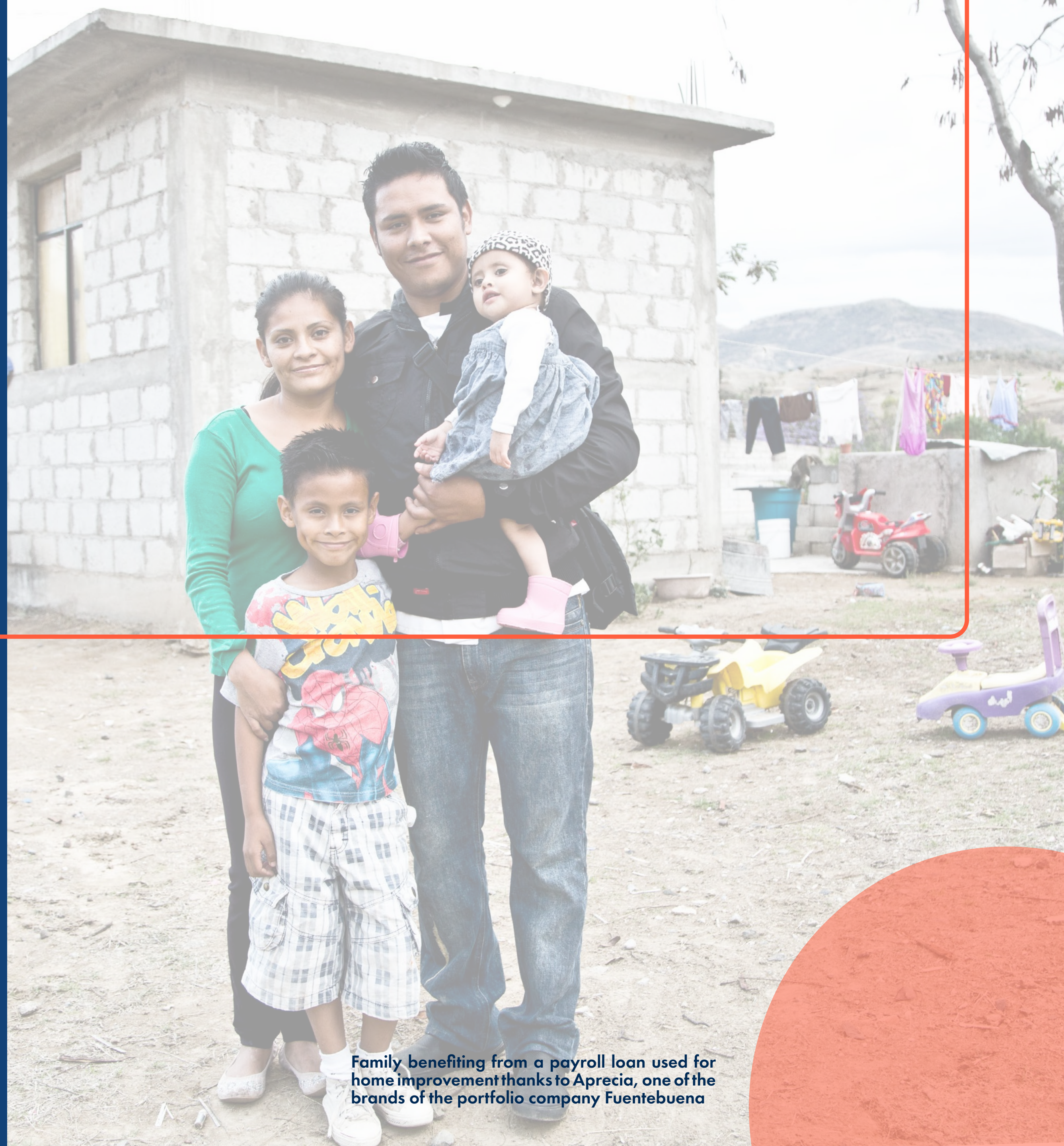


OUR ENGAGEMENT IN 2023
Main topics discussed with portfolio companies during the year 2023

Theme	Engagement topics
Overall impact performance	• Impact achievements and challenges over the year • Opportunities to increase impact score according to our methodology • Difficulties in the business impacting impact indicators and ability to meet impact targets for some companies
Impact management and measurement	• Suggestion to refine impact measurement through an on-the-field assessment of outcomes for beneficiaries • Change in the methodology for impact indicators calculation for some companies
Employment	• Lack of job creation or downsizing in line with the business strategy or context • Employee benefits above legal requirement • Measures to prevent work accidents
Gender	• Lack of female diversity on the Board and Executive committee • Persistency of the gender pay gap • Measures to target more female beneficiaries
Sustainable business practices	• Potential improvements in structuring a formal sustainability approach • Opportunity to dedicate a resource, even part-time, to sustainability • Strengthening the supply chain management on ESG aspects

TARGETING POSITIVE IMPACT
OUTCOMES IN DIRECT
SUPPORT OF THE SDGs

PART III



Family benefiting from a payroll loan used for home improvement thanks to Aprecia, one of the brands of the portfolio company Fuentebuenena

OUR IMPACT INVESTOR APPROACH

Our impact management and measurement system relies on the Operating Principles for Impact Management and is verified by an independent party every two years based on these Principles.

ASSESSING THE EXPECTED IMPACT OF EACH INVESTMENT, BASED ON A SYSTEMATIC APPROACH

When a deal is in the pipeline, the investment and the sustainability teams jointly lead an impact thesis analysis, to assess the contribution of the company's activity to a positive environmental and/or social change, based on the IRIS+ framework established by the GIIN. If the impact thesis is confirmed, each opportunity's impact is scored, using our proprietary methodology, SDG Blue. The approval of an investment by the Investment Committee is based on these qualitative and quantitative impact analyses.

An opportunity needs to score a minimum of 6.0 on a scale 0.0-10.0 to be considered for investment.

MONITORING THE PROGRESS OF EACH INVESTMENT IN ACHIEVING IMPACT

We assess and measure the evolution of the impact of our portfolio companies annually, to identify opportunities for further contribution in the context of their business environment.

Impact and sustainability issues are integrated in the quarterly and annual portfolio monitoring, which includes a discussion on the company's performance, based on qualitative and quantitative indicators, both agreed upon in the transaction agreements, as well as impact targets set for each of the impact themes related to the investment.

Most of the indicators that we collect on a systematic basis are activity and output types of impact indicators. We encourage companies to perform dedicated surveys on the actual improvement of the quality of life of the beneficiaries attributable to their products or services, on a case-by-case basis, only when supporting evidence collected during the impact thesis analysis are not deemed sufficient. Since 2023, we also collect data on the beneficiaries' satisfaction levels for all our portfolio companies, as a first step to more systematically assess the outcome of the activity financed.

Overall, the portfolio companies maintain or even increase their SDG Blue score while in portfolio. The decreases are systematically discussed with the portfolio companies. The portfolio companies with a score below the investment threshold in 2023 are the ones in financial distress.



Our proprietary "SDG Blue" methodology to score impact in direct support of the SDGs

Blue like an Orange scores the impact of its investments through an internally developed scoring system, the "SDG Blue" that we make available in opensource⁹.

The tool works in a similar way to a credit rating score, taking weighted averages based on different categories and adding up points.

The impact of all transactions is rated against a set of selected SDG targets reflecting the cross-sector and sector-specific impact themes. Quantitative and qualitative indicators are defined and collected from the portfolio companies at the time of investment and then every year to feed the SDG Blue score. In 2023, the SDG Blue methodology was reviewed to assess performance against benchmarks as much as possible, and to better incorporate investor contribution as a criterion.

MANAGING STRATEGIC IMPACT ON A PORTFOLIO BASIS

To manage impact on a portfolio basis, Blue like an Orange has adopted in 2023 quantitative impact targets for its existing sub-Funds. These targets are sector and geography agnostic, monitored on a yearly basis, and reflect both the overall impact performance of the portfolio and its performance on the sustainability issues selected as core in the strategic impact objectives (Quality employment, Gender equality and Corporate sustainability practices).

On a sectorial basis, Blue like an Orange embraces GIIN methodology for assessing and measuring impact. The GIIN IRIS+ normalized indicators enable us to contextualize our impact performance given some sectorial benchmarks, when available¹⁰.

MANAGING IMPACT AT EXIT

When conducting an exit before the initial terms of a loan, Blue like an Orange considers how it will affect sustainability and impact. The team strives to ensure that the strategy pursued by the portfolio company will remain focused on impact and that the company will maintain the efforts towards integrating sustainability in business practices. Furthermore, to sustain impact at exit post-repayment of the loan, Blue like an Orange intends to establish sustainability approaches that are truly embedded by the portfolio company.

⁹For more detail, see website: <https://bluelikeanorangecapital.com/methodology>

¹⁰IRIS+ benchmarks are currently available for the Financial, Healthcare and Energy sectors

2023 PORTFOLIO IMPACT PERFORMANCE DASHBOARD

OUR PERFORMANCE AGAINST THE FUND IMPACT TARGETS

Overall, Blue like an Orange demonstrates a performance aligned with its strategic impact objectives. Two indicators appear to be slightly below targets and will be followed closely.

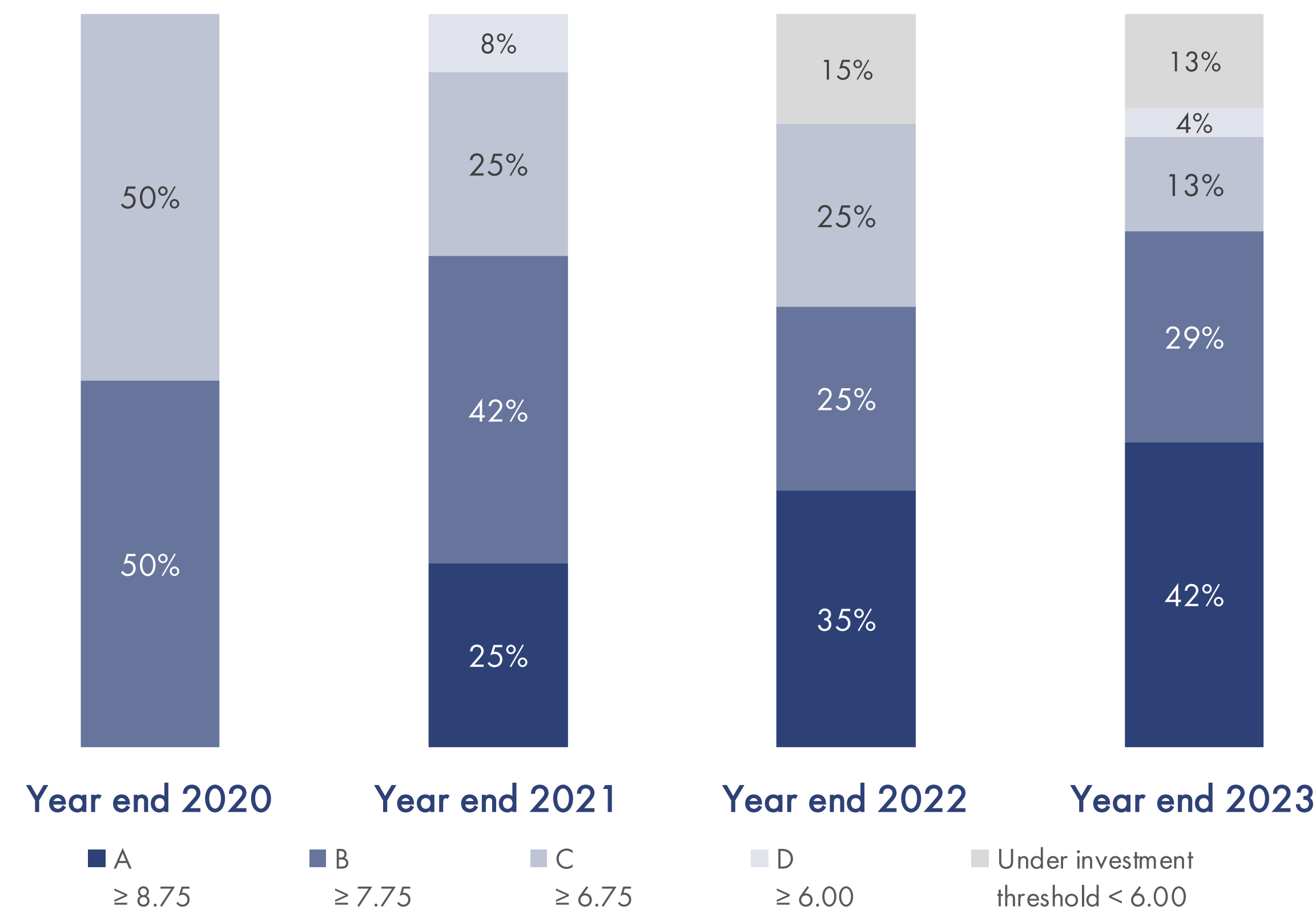
Strategic impact indicators	Target	2023 performance	Status	Take-away
Share of high impact companies (SDG Blue A or B) at entry	60%	54%		Companies generally improve their impact score while in portfolio and are not expected to all be high impact at entry. However, a specific attention is still needed on the impact score at entry of future investments in order to meet this target.
Share of companies staying high impact (SDG Blue A or B) or improving their impact score while in portfolio each year	70%	71%		
Share of underserved beneficiaries among portfolio companies' clients (on average, weighted by the size of investments) each year*	70%	77%		
Completion rate of impact targets by portfolio companies during the investment period (on average, weighted by the size of investments) each year*	100%	170%		Over-performance driven by largest investment that largely overtook its impact targets
Share of investments made from year 2024 monitoring employee satisfaction through an independent survey at least every two years	100%	Available as of 2024 report		
Share of investments made from year 2024 with employee satisfaction improving or staying at high level each year	70%	Available as of 2024 report		
Share of investments made from year 2024 having formalized a gender equality, diversity and non-discrimination policy , including commitments to increase the participation of female in leadership and to close the gender pay-gap, by the end of investment period	100%	Available as of 2024 report		
Share of investees having embedded sustainability in their business practices through the completion of an environmental and social action plan, by the end of investment period	90%	To date: 82%		To be assessed definitively at the end of investment. Currently engaging with portfolio companies to reinforce their capacity to implement some actions initially agreed that turned out to be challenging in their context

* Excluding companies in financial distress due to the lack of data availability (two companies in this case during reporting period)

EVOLUTION OF THE IMPACT SCORES OF OUR PORTFOLIO COMPANIES

Overall, the portfolio companies maintain or even increase their SDG Blue score while in portfolio. The portfolio companies with a score below the investment threshold are in financial distress or undertaking a strategic shift challenging the initial impact thesis. New impact targets will be set with these companies once the situation has stabilized. An illustration is provided in the impact case studies Part V of this report.

Distribution of SDG Blue scores within the portfolio companies based on yearly impact monitoring data, excluding scores at the time of investment (% of companies)



SECTORIAL IMPACT PERFORMANCE

TECHNOLOGY ENABLED SERVICES

Excluding Financial services - covered in a dedicated section

Why we invest

“The 2030 Agenda for Sustainable Development recognizes the great potential of global connectivity to spur human progress. It challenges us to ensure universal and affordable Internet access for all.” Antonio Guterres, Secretary-General of the United Nations¹¹.

Internet penetration in Latin America has surpassed that of China and India and is approaching that of developed economies¹², with a continuous increase in smartphone adoption rate among the population in the region. Digital adoption has transformed everyday life across the socioeconomic strata in the region, providing more access to products and services. At the same time, although Latin America has a higher proportion of SMEs, their low digital maturity has stymied growth and productivity, leading to a smaller contribution to GDP when compared to other regions. Blue like an Orange seeks to support technology-enabled business models that contribute to accessibility and economic growth in developing markets.

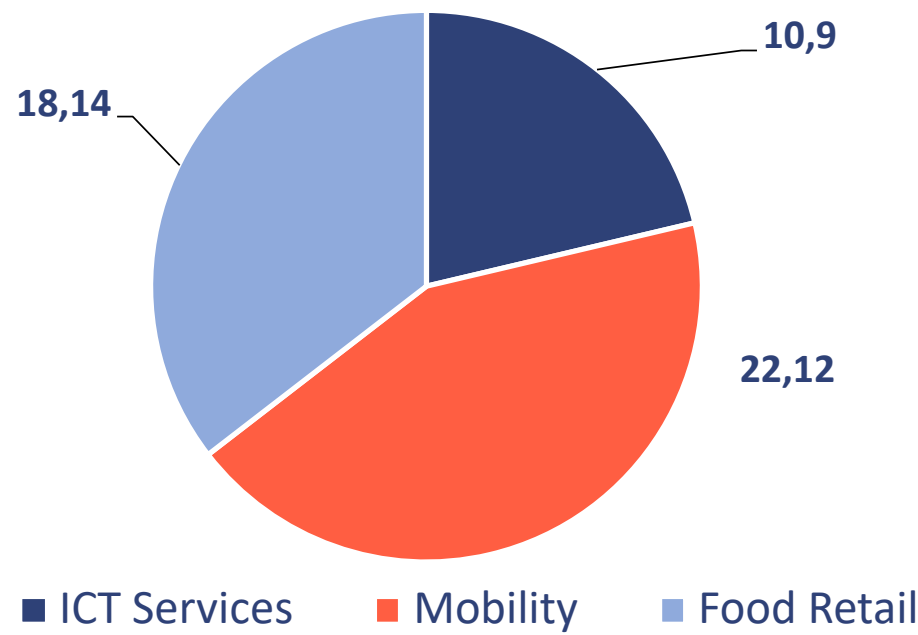
Our team’s view on the year 2023

The technology sector overall has remained largely underinvested compared to other economic sectors in the region. Technological advancement, mirroring what has proven to work in developed countries, is essential to the region’s effort to close social inequality gaps and to enable the scalability of social impact enterprises within it.

Sub-sectors financed

We finance companies operating in Information and Communication Technology (ICT) services, ride-sharing and food retail.

Amount invested by sub-sectors 2023 (M€)



Sectorial impact performance data¹³

Number of beneficiaries

The number of beneficiaries in the Technology-enabled services has dropped over the period, due to difficulties encountered by two companies in the sector. An illustration is provided in the impact case studies Part V of this report.

	unit	Type of indicator	2021	2022	2023
Client individuals: Total	Nb	Output	--	3 516 609	2 605 009

Characteristics of beneficiaries

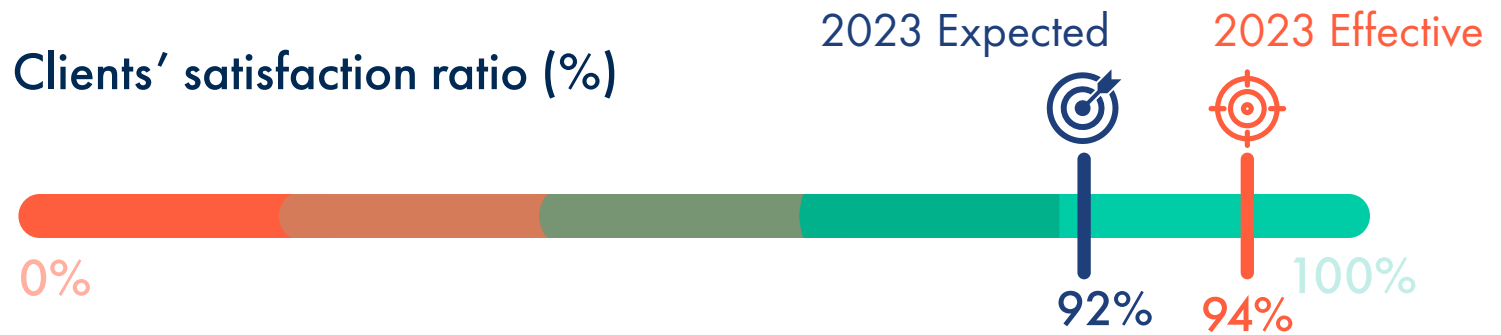
Portfolio companies in the Technology-enabled services sector have, on average, a low rate of reach of underserved beneficiaries. This is due to an investment that does not serve underserved beneficiaries directly but is seen as an enabler for other economic players (government agencies and companies) to do so, and another investment with a business model relying on multiple segments.

Share of underserved beneficiaries across portfolio companies in the tech-enabled service sector



Outcome for beneficiaries, estimated through the satisfaction ratio

The effective client satisfaction rate is higher than the expected one.



Environmental co-benefits

50% of our portfolio companies’ business has environmental co-benefit. For example, a mobility platform contributes to reducing Carbon Dioxide and other pollutants, through the reduction of traffic in cities.

¹¹Fast-forward progress - Leveraging tech to achieve the global goals, 2017
¹² Source: World Development Indicators, World Bank, 2021
¹³Scope of portfolio companies: RobinFood, Cabify, Quintess. Out of scope: Merqueo

SECTORIAL IMPACT PERFORMANCE

INFRASTRUCTURE

Why we invest

Blue like an Orange aims to support the development of sustainable infrastructure by investing in high quality information technology, affordable, clean, and reliable energy, sanitation, and transport, especially to those who are currently operating with limited or no access. These investments will not only develop infrastructure but will also support quality employment for people in the surrounding communities.

Our team’s view on the year 2023

Historically, Latin America has been behind most regions in terms of infrastructure investment, with 2.2%¹⁴ of its GDP allocated to infrastructure in 2023, compared to investment requirements of 3.5% of GDP, representing US\$90 billion unmet infrastructure needs¹⁵.

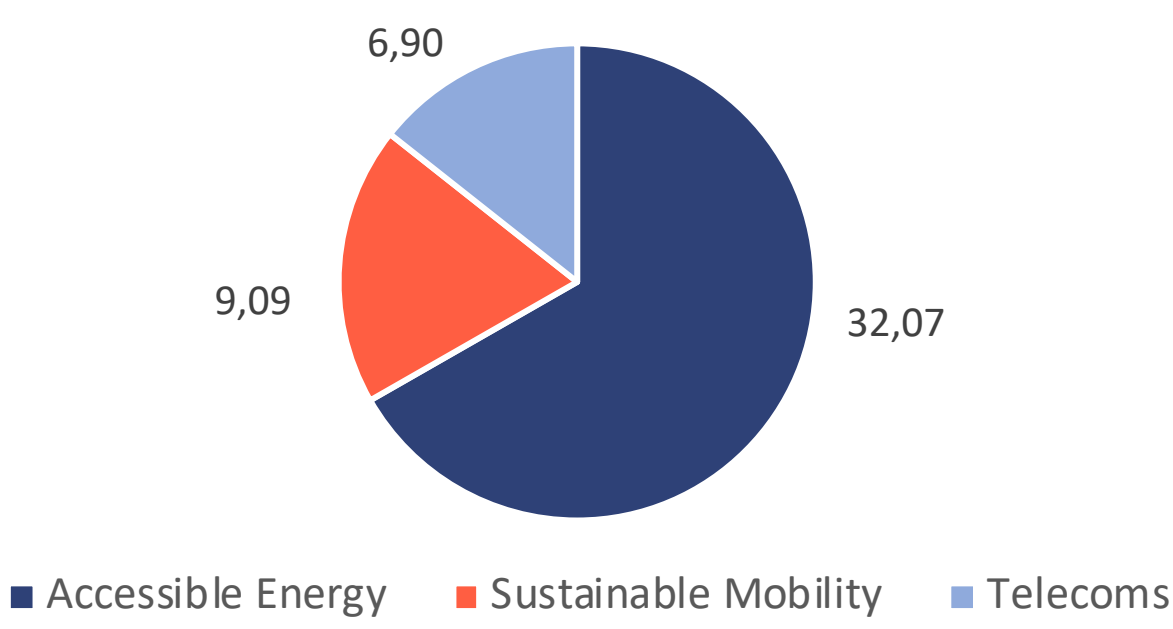
Transportation infrastructure is one of the region's most notable weaknesses. Transportation systems are often deficient, facing challenges with traffic congestion and lack of accessibility due to sharp population increases in urban centers. As a result, innovative solutions backed by private investment aim to foster infrastructure development in the region, such as sharing economy businesses (e.g., micromobility solutions), which can provide affordable and efficient alternatives to the population.

Investment in renewable and sustainable energy sources, although growing, remains below the region’s potential. Given its large reserves of critical minerals, wide use of renewable energy sources, and water availability, the region could become a relevant player in the global green energy transition.

Sub-sectors financed

We mostly financed companies operating in accessible energy, followed by sustainable mobility and telecoms.

Amount invested by sub-sectors 2023 (M€)



Sectorial impact performance data¹⁶

Number of beneficiaries

	unit	Type of indicator	2021	2022	2023
Client individuals: Total	Nb	Output	20 133	290 424	376 225
Total number of SME users	Nb	Output	8 076	13 260	27 827

¹⁴Global Infrastructure Hub (GI Hub), 2024
¹⁵Source: *Infrastructure opportunities in Latin America*, Economist Intelligence, 2024
¹⁶Scope of portfolio companies: Origo, Tembici, Hybrico

Characteristics of beneficiaries

In the Infrastructure Sector, portfolio companies reached a higher rate of underserved beneficiaries that the target set at Fund level:

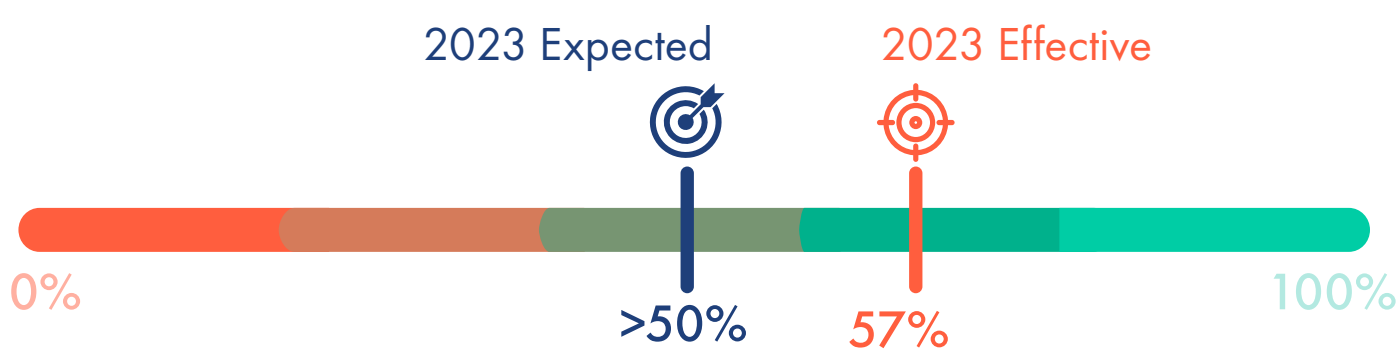
Share of underserved beneficiaries across portfolio companies in the infrastructure sector



Outcome for beneficiaries, estimated through the satisfaction ratio

The average effective client satisfaction rate is available, measured through NPS, only for one company and is considered satisfactory by the company given its activity.

Users’ satisfaction ratio (%)



Environmental co-benefits

100% of our portfolio companies’ business has environmental co-benefits.

SECTORIAL IMPACT PERFORMANCE

ACCESS TO FINANCE

Why we invest

Blue like an Orange invests in organizations that seek to provide safe, transparent, convenient, and affordable banking and financial services to unbanked or underbanked customers, both individuals and SMEs. In countries where access to capital is extremely limited, we are looking for investees that empower their customers by offering equal rights to access financial opportunities.

Our team’s view on the year 2023

Challenges to financial inclusion and greater access to finance in Latin America have remained largely constant pre- and post-covid. Important gaps remain across the region, as well as cross-country variations. Only 30% of adults in Latin America and the Caribbean borrow from a financial institution, below OECD levels, and 27% do not have access to financial services¹⁷. Factors such as institutional weakness, inadequate regulatory environment, and low levels of bank competition induce high cost of financial services and inadequate financial and technological infrastructure.

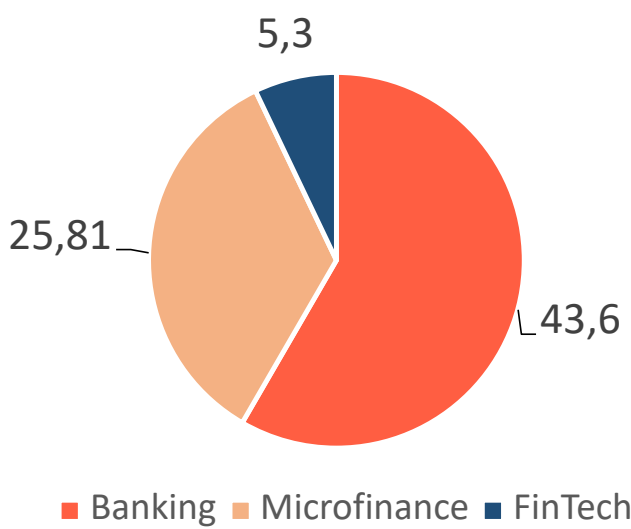
Post-covid, amidst a global environment of rising interest rates, financial institutions across the region have remained resilient overall and, in some cases, reported historic profits, despite the macroeconomic instability of some countries.

In recent years, the financial services sector, in an effort to digitize and promote the growth of innovative financial technology business models, has received the largest amount of private investment across the region and will continue to be an attractive investment target.

Sub-sectors financed

We mostly financed banks, non-banks financial institutions, microfinance institutions, and Fintech:

Amounts invested by sub-sectors 2023 (M€)



Sectorial impact performance data¹⁸

Number of beneficiaries

	unit	Type of indicator	2021	2022	2023
Client individuals: Total	Nb	Output	2 108 893	3 911 528	4 581 073
Total number of SME users	Nb	Output	37 111	53 325	63 080

Characteristics of beneficiaries

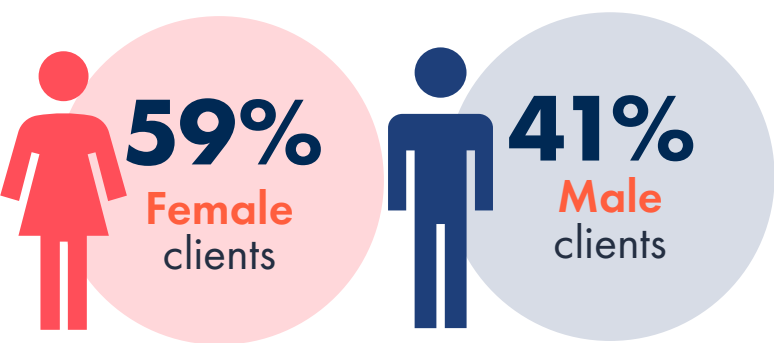
In the financial sector, portfolio companies reached a rate of underserved beneficiaries higher than the target set at Fund level:

Share of underserved beneficiaries across portfolio companies in the financial sector

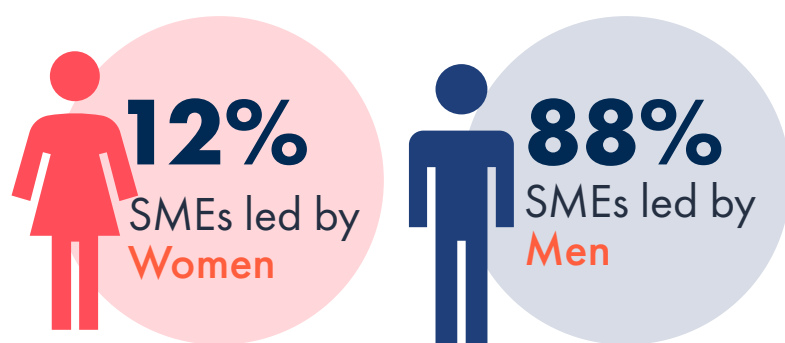


In the Financial Institution sector, whereas more than half of our portfolio’s individual beneficiaries are women, only 12% of our portfolio’s SMEs beneficiaries are led by women. This issue was identified as a theme of engagement with companies in the sector, leveraging on good practices among our portfolio see (Thematic Impact Performance - Empowering Women in the Corporate World).

Clients individuals per gender



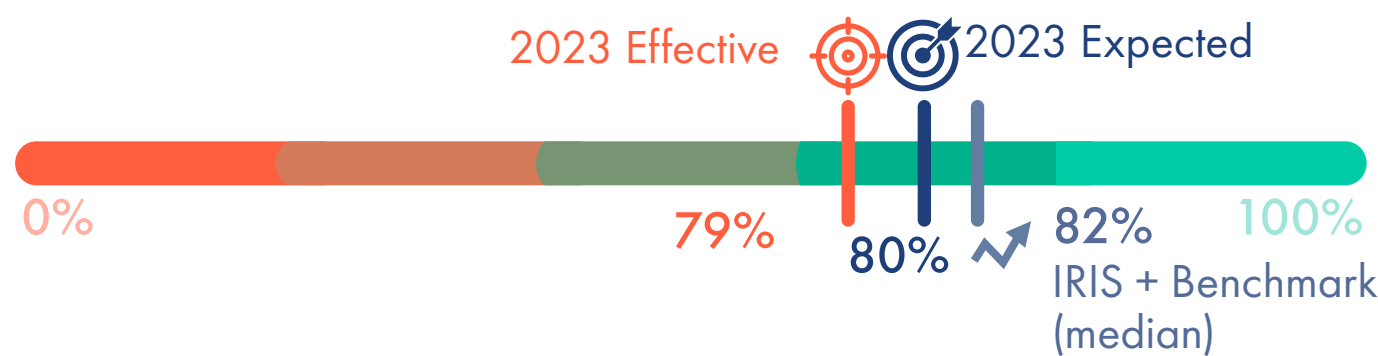
SMEs led by gender



Outcome for beneficiaries, estimated through the satisfaction ratio

The average effective client satisfaction rate is aligned with the expected one, and on the scale of the benchmark.

Client Satisfaction for financial institutions (%)



¹⁷ World Bank Global Findex 2021 Database

¹⁸ Scope of portfolio companies: Produbanco, Movii, Kubo, Credijusto, Acceso Crediticio, Contigo, CAPEM, Fomepade

Impact results compared to our peers

Blue like an Orange is supportive of the GIIN’s initiative to develop the industry’s impact performance benchmarks. These analytic tools draw from various investments to aggregate impact performance across sector specific KPIs, allowing investors to compare their results to peers and against the Sustainable Development Goals (SDGs). In the present report, we benchmark our impact results regarding Financial Inclusion against the GIIN impact performance tool. We intend to gradually extend our comparison to benchmarks in other sectors, once these benchmarks are available and we will collect sufficient comparable data. The benchmark values presented below consolidate data collected from funds similar to Blue like an Orange in terms of asset class, geographical focus and stage of business.

The first benchmark’s dimension is the “Company-level scale of the impact”, which represents the total volume of active clients provided responsible financial services by the portfolio companies during a given year. This value may not be accurately compared across the peers, as funds with significantly different sizes have the potential to serve very different volumes of beneficiaries. In order to have a meaningful comparison of the impact results with the benchmark and a better view on the investor’s contribution potential, independently from the funds’ size, Blue like an Orange benchmarks its impact results with the “Investment-level scale of the impact”, which reflects the impact results associated with a tranche of investment capital during a given period and with the “Year-on-year change”, which reflects the yearly growth rate of the impact result.

Blue like an Orange’s impact results associated with individual clients served outperform the benchmark in terms of volume, and its growth rate is well on track with respect to the benchmark and the pace of change needed to achieve SDG 1.4 (equal access to finance). The impact results associated with MSME clients accessing responsible financial services outperform the benchmark in terms of volume, growth rate and the pace of change needed to achieve SDG 8.3 (access to finance for SMEs).

Total number of individual and SME clients accessing responsible financial services*

GIIN COMPASS analytic impact figures	Definition	Clients	Value	GIIN Impact Performance Benchmark**	Global need to achieve SDGs	Status
Company-level scale of the impact	Volume of active clients served during the year by portfolio companies	Individuals	606 550	606 550		/
		SMEs	63 080	88 081		/
Investment-level scale of the impact	Volume of clients over the year across portfolio, weighted by the size of the investment over the company value	Individuals	476 919	46 028		Outperforming
		SMEs	5 519	922		Outperforming
Year-on-year change	Yearly growth rate of number of clients over the year across portfolio (median)	Individuals	+5%	+3.8%	+3.04%	On track with respect both to the benchmark and the SDG achievement
		SMEs	+19%	+7.4%	+5.32%	Outperforming with respect both to the benchmark and the SDG achievement

*These indicators coincide with the IRIS+ indicators named “Clients actively using responsible financial services and “MSMEs financed responsibly”.
** The benchmark values are updated bi-annually with new data contribution from the peers. The values represented here are the ones available in May 2024.

SECTORIAL IMPACT PERFORMANCE

AGRICULTURE

Why we invest

In what refers to Agriculture, countries in the Latin American region have been traditionally strong primary producers of commodities such as sugar cane, coffee, corn, soybeans, and coconut. With an increasing population in the region and an international demand for more nutritious food, the agriculture sector offers numerous economic opportunities for the region, with primary producers expanding their supply and distribution channels; essentially to become vertically integrated enterprises. By focusing on agriculture, Blue like an Orange seeks to improve the economic prospects of a large portion of the population in the region while financing producers or distributors, including wholesalers and exporting companies, committed to provide sound environmental practices, and service providers to the sector that provide solutions to increase productivity and efficiency in the field.

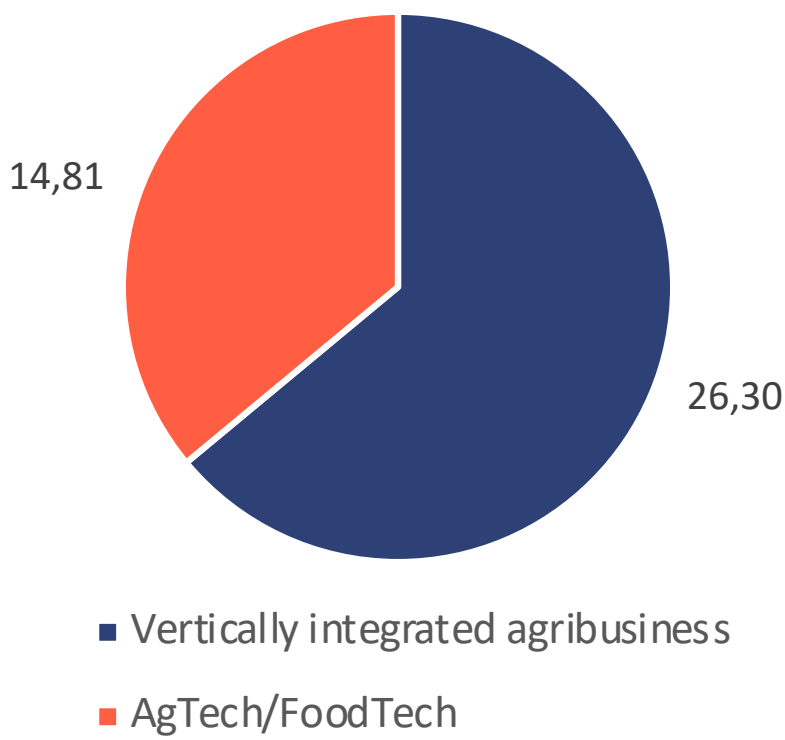
Our team’s view on the year 2023

With agriculture weighing 7% of Latin America’s GDP¹⁹ and representing nearly 14% of total employment in the region²⁰, agribusiness presents numerous opportunities. According to the United Nations, by 2050, the planet's population will reach 9.6 billion people and consume 30 billion meals daily. To meet future demand, agricultural production will have to grow 80% by 2050²¹. In this context, technology is key to scale crop yields and reduce farming costs while minimizing the burden on the environment. As a result, the AgriTech sector has grown exponentially in recent years, with an increasing number of entrepreneurs developing solutions for the agribusiness chain.

Sub-sectors financed

We mostly financed companies operating in Vertically integrated Agribusiness, followed by companies operating in AgTech/FoodTech:

Amount invested by sub-sectors 2023 (M€)



Sectorial impact performance data²²

Number of beneficiaries

	Type of indicator	Unit	2021	2022	2023
Small-scale producers: Total	Output	Nb	524	444	580
Agricultural Employees: Total	Output	Nb	Not available	Not available	2 900

¹⁹Agriculture, forestry, and fishing, value added (% of GDP), World Bank Data, as of 2022

²⁰Employment in agriculture (% of total employment), World Bank Data, as of 2022

²¹Record year AgTech Latin America, LAVCA, 2017

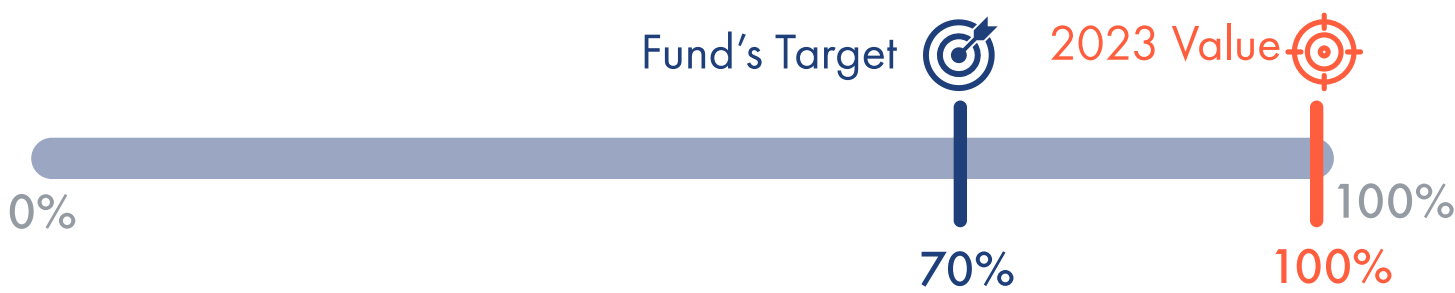
²²Scope of portfolio companies: Chavin, Solinftec, Colour Republic

²³According to IRIS+, "Sustainably managed" includes sustainable working conditions for employees responsible for land management, resource exploitation that guarantees the continuous delivery of ecosystem services for current and future generations, and even land that has been put under strict no-deforestation requirements.

Characteristics of beneficiaries

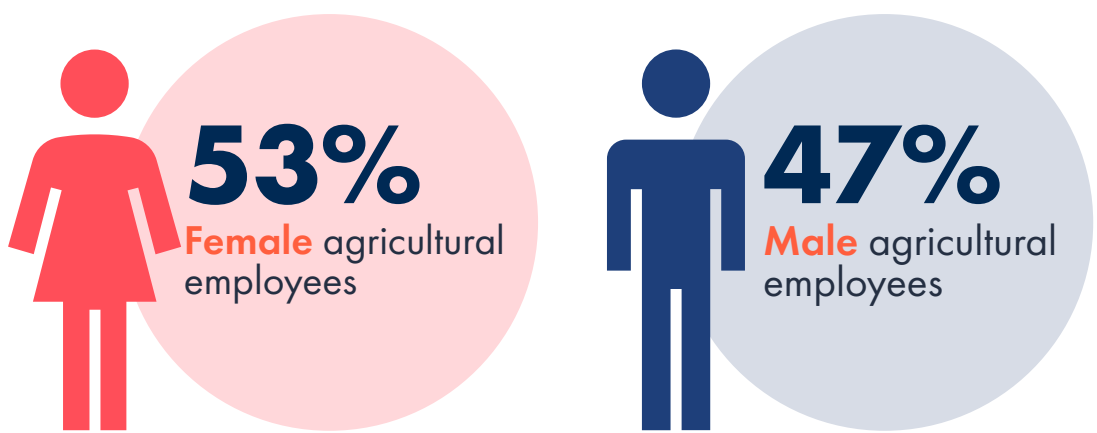
In the agricultural sector, we define as underserved beneficiaries all the individuals and/or organizations that are considered as small-holder farmers and agricultural employees.

Share of underserved beneficiaries across portfolio companies in the agricultural sector



More than 50% of our portfolio companies’ agricultural employees are women. The share of female small-holders in not available.

Agricultural employees by gender (%)



Sustainable agricultural practices

100% of the land directly and indirectly controlled by the portfolio companies in the agricultural sector are Sustainably Managed²³ as defined by IRIS+.

100% of the portfolio companies in Vertically integrated agribusiness have agricultural-related third-party certifications (e.g. Rainforest Alliance) on all or part of their production.

SECTORIAL IMPACT PERFORMANCE

HEALTHCARE

Why we invest

Health systems in Latin America are highly fragmented, resulting in inequities in access, quality, and outcomes of health services. Latin America's growing middle-class continues to demand better quality and more affordable health, providing socially and commercially scalable opportunities for increased private sector investments. Blue like an Orange seeks to capitalize companies that have demonstrated consistent improvements to population health and contribute to strengthening health systems in support of achieving Universal Health Coverage.

Our team's view on the year 2023

The pandemic accelerated the digital transformation of many health services in Latin America and has created opportunities for investments in telemedicine and the improvement of the Healthcare Information Systems (HIS) throughout the region with a focus on data standardization.

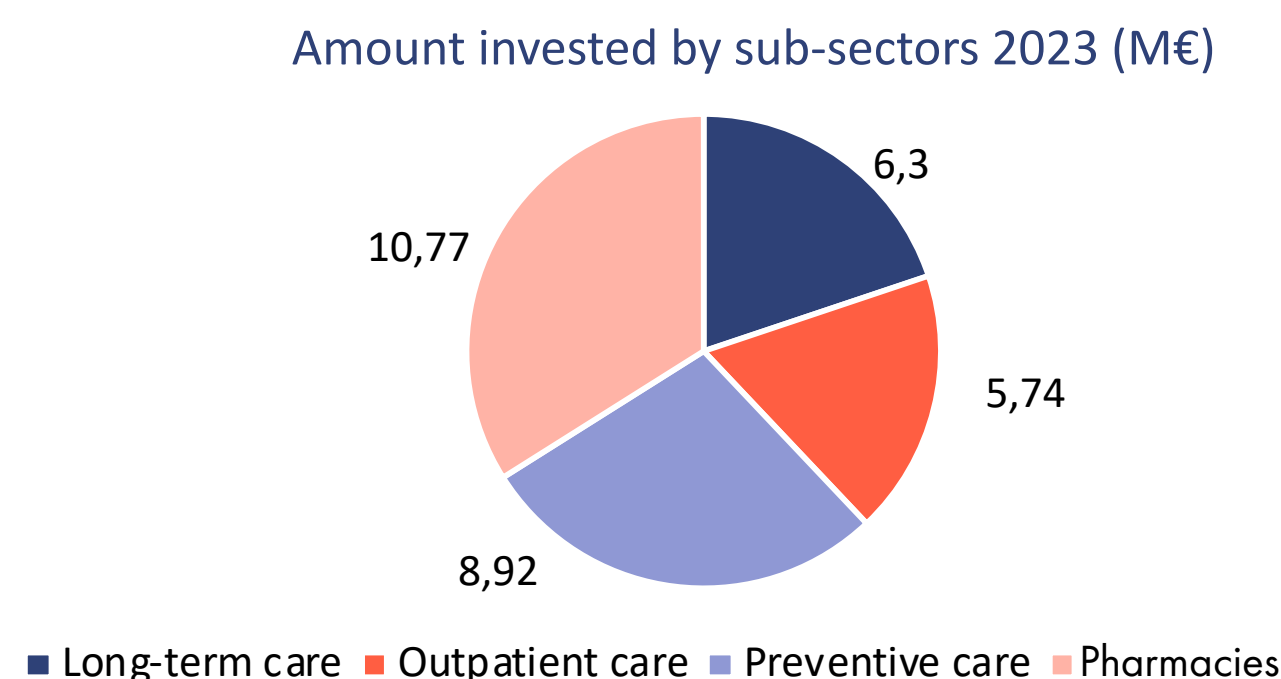
The impact of AI is far-reaching in healthcare – from early detection, to diagnosis, treatment, patient experience, research, disease monitoring, and treatment adherence.

The shift from a reactive to a preventive approach to healthcare is also expected to create opportunities for private investment. Non-communicable Diseases (NCDs) account for around 74% of deaths and have staggering costs associated with treatment (cancer treatments alone are estimated in the region up to US\$150bn annually)²⁴. There are new business models being developed to provide diagnostic services and products and ensure access to preventive and specialty treatment care.

Additionally, the increased demand for quality medications and technologies to treat the rising burden of NCDs is a major challenge faced by healthcare systems in Latin America, since about 78% of all medicines in the region are paid for out-of-pocket²⁵. Investment in models providing access to medication could provide attractive social and financial returns for investors.

Sub-sectors financed

We mostly financed pharmacies, followed by preventive care, long-term care, and outpatient care:



Sectorial impact performance data²⁶

Number of healthcare facilities and beneficiaries

	Type of indicator	Unit	2021	2022	2023
Healthcare facilities: Total	Output	Nb	-	37	61
Patients: Total	Output	Nb	1 524	72 174	77 923

²⁴Source: 2023 Healthcare Trends in Emerging Markets: A Look Ahead, Speyside

²⁵Source: Private Capital's role in Healthcare Delivery in Emerging Markets beyond COVID, Investors for Health, March 2022

²⁶Scope of portfolio companies: Placi, Alivia, Clinicas del Azucar. Out of scope: InvestFarma

Characteristics of beneficiaries

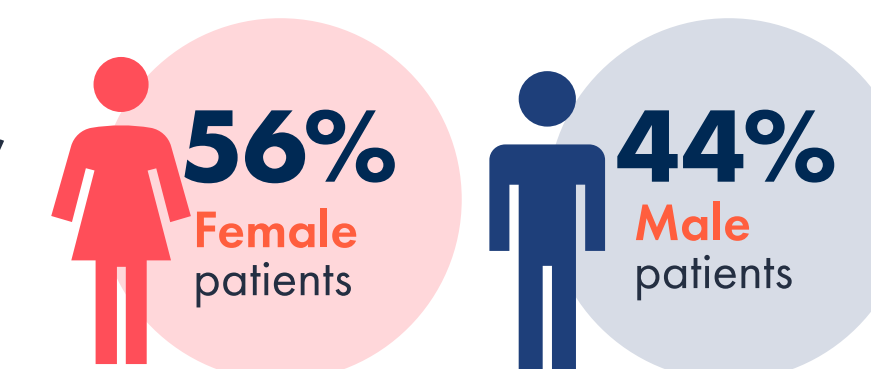
In the Healthcare sector, portfolio companies reached a higher rate of underserved beneficiaries that the target set at Fund level:

Share of underserved beneficiaries across portfolio companies in the healthcare sector



Patients per gender

In the Healthcare sector, more than 50% of our portfolio companies' patients are women.



Outcome for beneficiaries, estimated through the satisfaction ratio

The average effective client satisfaction rate is aligned with the expected one.



Healthcare services quality

100% of healthcare facilities owned by our portfolio companies in the healthcare sector have been accredited, therefore meeting national and international health care quality standards.

100% of the portfolio companies in the healthcare sector have Quality Assurance Mechanism in place, such as Audits, electronic monitoring system, checklists and logs, and others.

SECTORIAL IMPACT PERFORMANCE

EDUCATION

Why we invest

Providing every child access to education could boost GDP by an average of 28% per year in lower-income countries²⁷. Parents at every socio-economic level in developing countries have demonstrated a willingness to dedicate a significant amount of income to educating their children. Blue like an Orange seeks to support traditional and innovative education models to reach a greater segment of the population, with a strong emphasis on vocational training and workforce readiness.

Our team’s view on the year 2023

To expand access and improve quality of education, countries have fostered several alternatives, such as decentralization of the education system, charter schools, public-private partnerships, and expansion of low-cost private schools.

Private education plays an important role in Latin America at all ages, from elementary schools to higher education. Private school students perform better than those from public schools, according to TERCE 2019 (UNESCO). With the pandemic, trends toward the privatization of education systems and involvement of nongovernmental stakeholders have increased.

Private investment also focuses on specific areas with significant knowledge gaps, particularly within the mid to low-income population, and that are transformational for individual qualification, employment, and earning potential. These areas include illiteracy, English proficiency, computer science, STEM (science, technology, engineering, mathematics), and vocational education.

Digital technologies should play a crucial role in reducing barriers to access and improving retention rates among groups traditionally excluded from the education system, in addition to enhancing learning outcomes. As a result, the EdTech sector in Latin America has been growing in recent years, in line with the increased demand for online and blended education²⁸.

Sectorial impact performance data²⁹

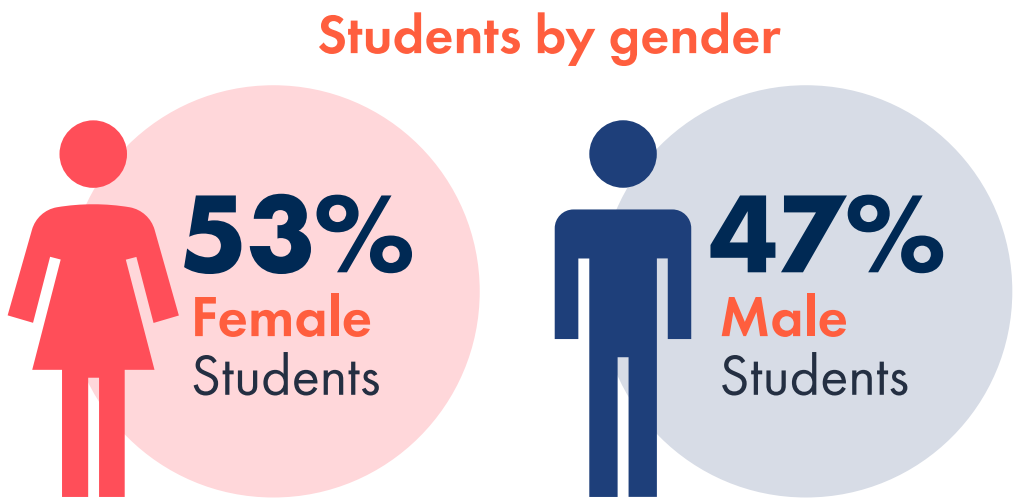
Number of schools, enrolment, and teacher positions

	Type of indicator	Unit	2021	2022	2023
Total number of schools	Output	Nb	14	16	21
Total number of acquired schools	Output	Nb	10	12	17
School Enrolment: Total	Output	Nb	6 469	8 065	9 854
Total permanent professor/ teacher positions	Output	Nb	371	412	560

Characteristics of beneficiaries

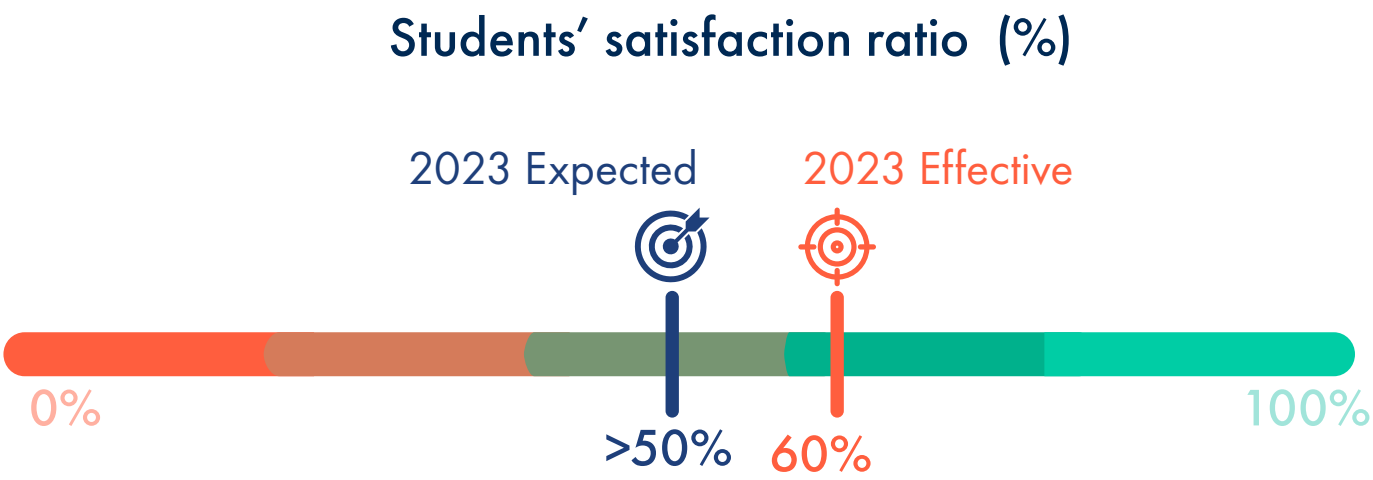
Due to a data protection regulation in force in Brazil, information on the level of income of students and their families could not be collected by our only portfolio company operating in this sector during 2023.

More than 50% of students are women:



Outcome for beneficiaries, estimated through the satisfaction ratio

The effective client satisfaction rate of our portfolio company in the sector, measured through NPS, is aligned with the expected one.



²⁷Source: Center for Learning on Evaluation and Results for Brazil and Lusophone Africa at Fundação Getulio Vargas’ Sao Paulo School of Economics, 2023

²⁸EdTech in Latin America: Uncovering New Possibilities (2023, Q4), Helmi.la

²⁹Scope of portfolio companies: Rede Decisão

THEMATIC IMPACT PERFORMANCE

CREATING QUALITY EMPLOYMENT



“In the healthcare sector, employee wellbeing is essential to creating engagement and positively impact the quality of patient care. In 2023, we led several preventive campaigns, offered self-care services and provided training to 392 employees. We carry out an employee satisfaction survey every year. Furthermore, in 2023, we were accredited by the Joint Commission International (JCI), which focused a lot on these aspects.”

Carlos Alberto Chiesa, CEO of Placi

Why is it important for us?

Giving access to quality and stable jobs to all is crucial to fostering emerging countries’ development. If unemployment figures are not always much higher in emerging economies than in developed ones, unformal employment often represents most of the jobs, and wages earned by workers often do not enable them to make a living. Blue like an Orange aims at creating quality jobs in Latin America as an essential step towards the achievement of economic development and decent life for all.

The situation in 2023³⁰

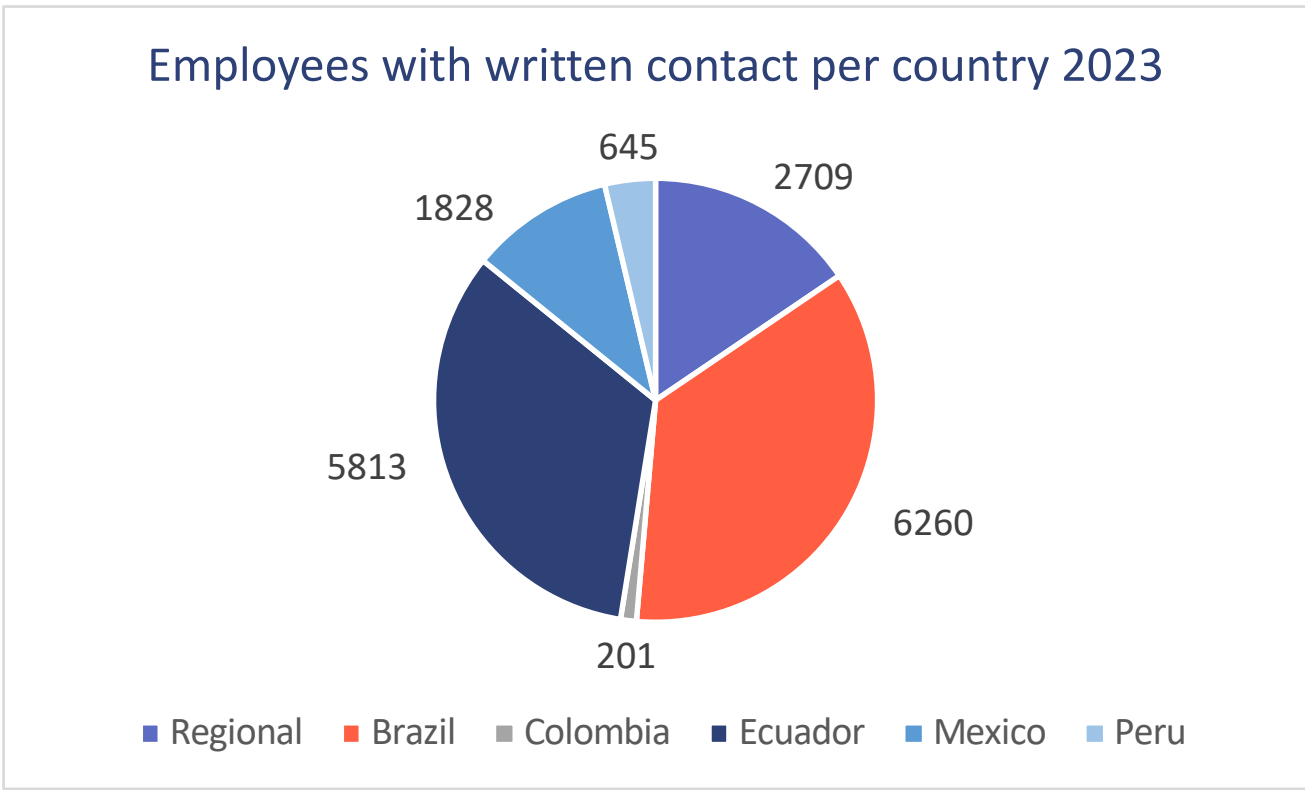
In 2023, Latin America and the Caribbean continued to recover from the effects of the pandemic, although the region experienced a modest growth of 2.2% on average, indicating a slowdown compared to the previous year. Unemployment rates kept decreasing, returning to pre-pandemic levels, and with greater recovery rates among women. However, around 50% of workers in the region still belong to the informal economy, with even higher rates among young people and women. Secondly, the phenomenon of the "working poor" is on the increase, due to the prevalence of the informal economy. Inflation also contributes to this phenomenon, despite a slowdown in the region, dropping from a record 8.2% in 2022 to an estimated 3.8% in 2023³¹. Finally, youth unemployment remains high in the region, at 16%.

Impact data across our portfolio companies

Our portfolio companies support a consequent number of jobs. However, the net job creation since investment date remains limited overall, due to restructuring and resizing occurring within several portfolio companies. An illustration is provided in the impact case studies Part V of this report.

	Unit	2021	2022	2023
Portfolio companies’ employees at year end	Nb	11 040	16 476	18 248
Net job creation since investment date	Nb	291	1 077	810
Share of companies offering at least one employees’ benefit above legal requirements	%	Not assessed	Not assessed	100%

Most of portfolio companies’ employees are based in Brazil and Ecuador:



³⁰Labor Overview 2023 for Latin America and the Caribbean, International Labor Organization, December 2023
³¹Preliminary Overview of the Economies of Latin America and the Caribbean, UN ECLAC, December 2023

THEMATIC IMPACT PERFORMANCE

EMPOWERING WOMEN IN THE CORPORATE WORLD



“Kubo is a financial institution continuously simplifying access to financial products to enable its clients to meet their financial goals. In 2023, we developed extensive programs and initiatives for gender inclusion. Working initiatives for gender aspects through issues and stakes that concern all employees, male and female, and linking our internal commitments to the business ones allow us to be credible and ensure the buy-in of our staff and clients. Internally, we notably led several workshops on various topics such as Family co-responsibility and we implemented a “Maternity, Paternity, and Adoption” procedure. On the clients’ side, we supported an initiative for women lead SMEs (kubo.mujeres) and established business targets on the matter.”

Ian Sarmiento, Director of Financial Planning, Kubo

Why is it important for us?

In emerging countries, poverty and precarious employment hit women more severely than men. Blue like an Orange believes that companies have a crucial role to play in the achievement of gender equality by having proactive and deeply inclusive recruitment and human resources policies. Additionally, Blue like an Orange is convinced that companies will perform better as soon as they include women in their workforce, at all levels.

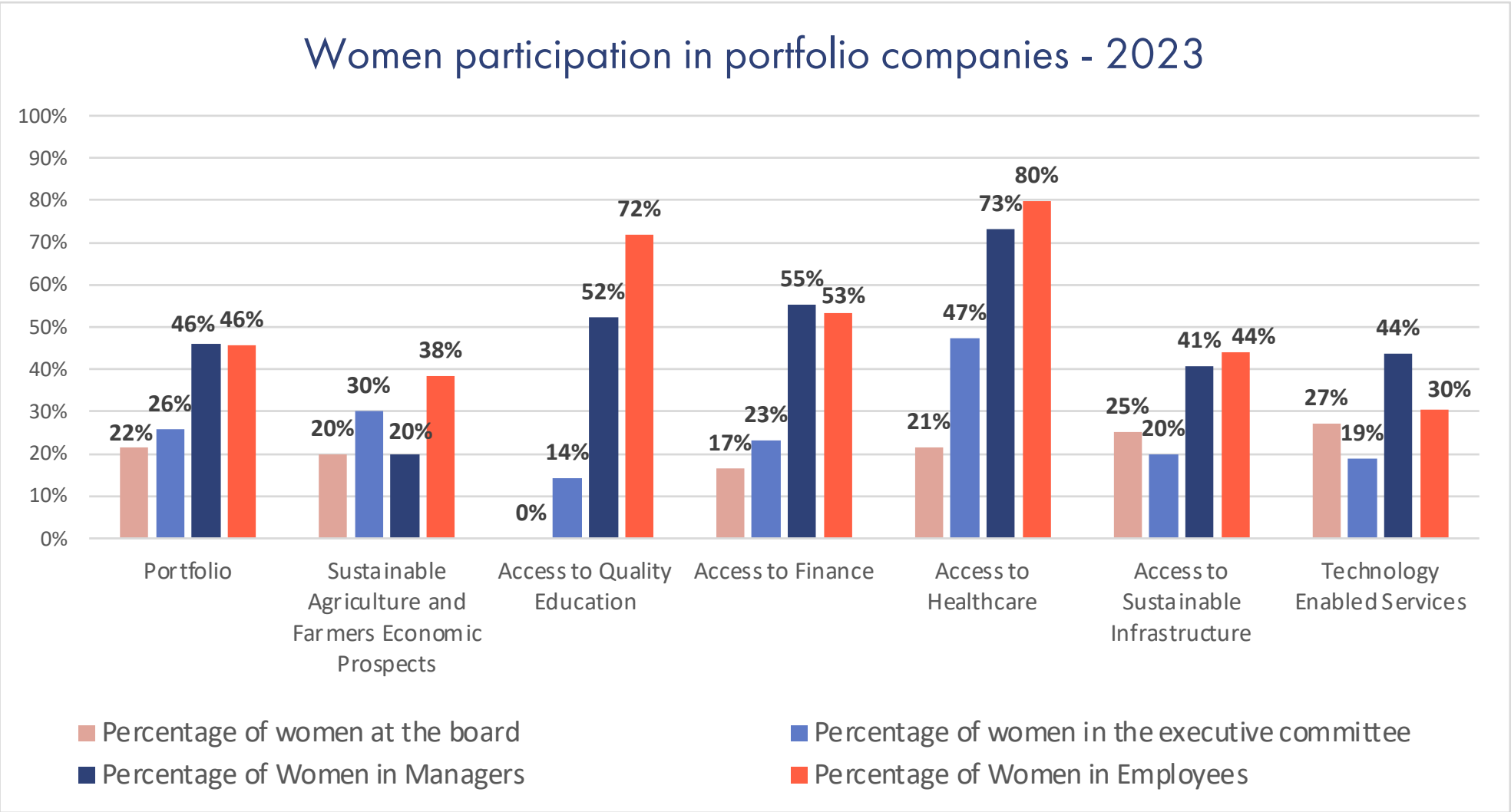
The situation in 2023

Only 14% of Latin American firms were owned by women, 15% of board positions were held by women, and only 11% of companies have one woman or more in senior management in 2021³². Additionally, the female unemployment rate remains higher than the male unemployment rate, with 7.6% and 5.6% respectively in 2023³³.

However, Latin America shows some encouraging trends on Gender. It is the only region in the world with a Regional Gender Agenda for 2030. At country level, some significant initiatives have been taken in the past few years. Colombia implemented a two-week paternity leave allowance. Among others, Chile, Colombia, Ecuador, and Mexico took part in the World Economic Forum’s Gender Parity Accelerators for companies.

Impact data across our portfolio companies

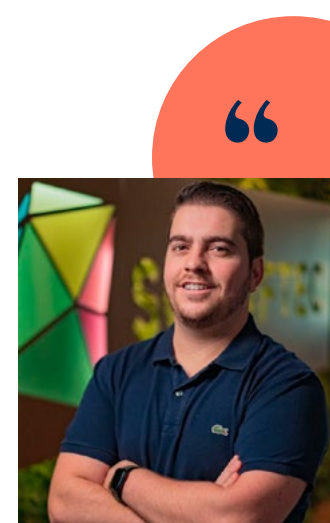
In order to assess the gender empowerment efforts of our portfolio companies, we compare the share of women in the workforce and in leadership with international thresholds provided by the 2X Challenge Initiative per each sector. Our portfolio companies present on average a lower share of women in leadership with respect to the 2X Challenge thresholds, that foresee a minimum of 30% of women both in the Board of Directors and in the Executive committee. This low share is particularly evident in the Education and Financial access sectors. However, our portfolio companies are aligned, or in certain sectors well above, the 2X Challenge minimum threshold set for share of female managers per sector (20-30%), with a particularly positive performance in the Healthcare and Financial Access sectors. Overall, the women participation in the total workforce is significantly above the 2X Challenge minimum thresholds (30%-50%), especially for portfolio companies in Education and Healthcare.



³²Women’s Presence in Senior Management Roles in Latam Surpasses Global Average, Bloomberg, March 2023
³³ 2023 LABOUR OVERVIEW Latin America and the Caribbean, International Labor Organization, 2023

THEMATIC IMPACT PERFORMANCE

INNOVATION FOR SUSTAINABLE DEVELOPMENT



“Technology and agriculture have been walking together for years and this relationship is getting stronger every day. The new agriculture is the only way to think and innovate in large-scale solutions and Solinftec is at the forefront of this concept, ready to revolutionize agriculture in the world. We are at the forefront and helping many other places to see new possibilities on how to reduce hunger and bring more sustainability to agriculture. It is indeed possible to have greater productivity, less use of chemicals, reduce costs and provide clean energy for the entire planet. And we're already doing it around here!”

Léo Carvalho, Chief Global Strategy Officer, Solinftec

Why is it important for us?

Innovation is essential for the development of emerging economies. Whether it happens in products, services, or processes, it is a condition for emerging countries to get a place in the global market and to be no longer restricted to supplying the rest of the world with raw materials. Blue like an Orange aims at fostering social innovation, to contribute to emerging countries' development through a social outcome benefiting directly to local beneficiaries.

The situation in 2023³⁴

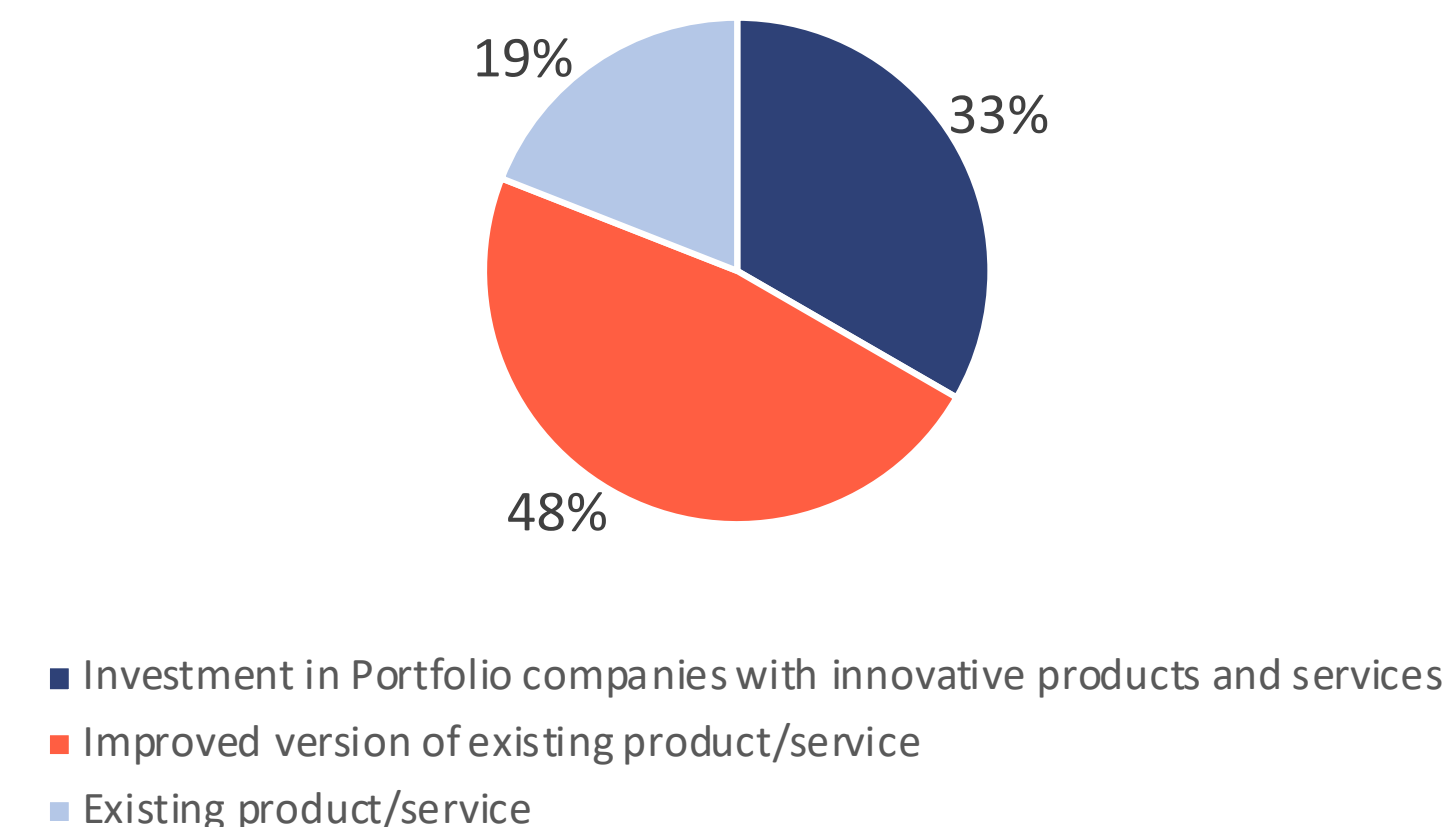
Before the Covid crisis, Latin America had already seen a significant development of technology startups. Since then, the technology sector in the region exploded and more and more startups emerged. This boom of entrepreneurial activity was particularly striking in Brazil, Chile, Colombia, and Mexico, where the number of tech startups has been multiplied by 3 since 2018 thanks to favorable policies towards innovative start-ups. In 2022, transactions in technology in Latin America represented around 42% of regional deal value. FinTech seems to be particularly all the rage. The Startup Ecosystem Index 2022 by StartupBlink, ranks São Paulo 4th in the global fintech city ranking.

However, Latin America and the Caribbean are lagging in terms of expenditures in Research & Development, compared to more developed countries. In 2022, the region dedicated on average less than 1% of its GDP to R&D, whereas most developed countries go beyond 2%. Additionally, only 8% of Latin American companies invest in Research & Development. According to the Global Innovation Index 2023 (World Intellectual Property Organization), several Latin American countries were below expectations in terms of innovation relative to their level of economic development. The report highlights strong disparities among countries in the region, with Brazil being ranked 49th and considered a good performer, Chile 52nd, Mexico 58th, while Ecuador ranked 104th and Guatemala 122nd over 132 countries. Colombia ranked 66th and Peru 76th.

Impact data across our portfolio companies

A vast majority of portfolio companies demonstrate innovation practices.

Innovation level - 2023



³⁴Source: Is Latin America the next frontier for technology M&A?, White & Case, 25 October 2022

THEMATIC IMPACT PERFORMANCE

ADOPTION OF SUSTAINABILITY PRACTICES BY COMPANIES

“We built CAPEM to be change makers in Mexico. Impact has never been a separate strategy but was embedded in our business model. When Blue like an Orange required from us to structure a formal approach, we aimed to align with international best practices directly because we wanted to do more and better impact. Our goal is also to share our experience with other market players and in this way to multiply our footprint in the country.”

Luis Carlos Rodriguez Bautista, Founder of CAPEM



“My role as sustainability consultant for CAPEM is highly rewarding, since both the board and the management see it as a better way to do business. They are personally interested and are gaining technical knowledge along the way.”

Joanna Gómez, Consultant, Impacta CS

Why is it important for us?

Faced with the current environmental and social emergency, companies have a major role to play in the transition towards a sustainable economic system. By implementing demanding policies and processes, companies can reduce their adverse impact, and by being transparent in their reporting and communication, they can influence consumption behaviors. Blue like an Orange sees the implementation of sustainable practices as mandatory for all its portfolio companies and is committed to supporting its investees in their implementation.

The situation in 2023³⁵

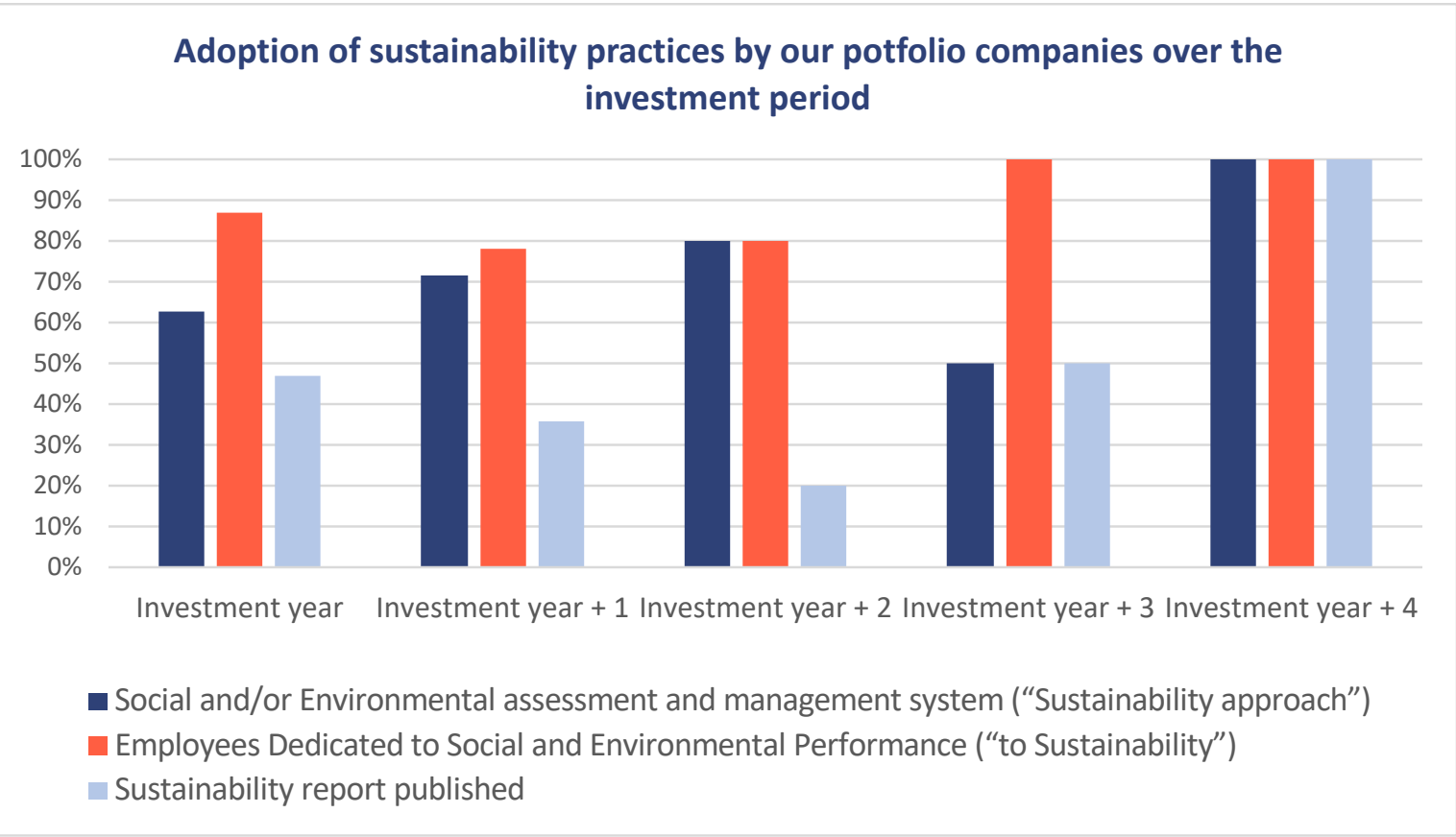
Latin American countries and firms are making progress regarding ESG practices and reporting, but more detailed legislation and corporate internal practices still need to be implemented at country and firm levels.

While only seven countries require listed companies to disclose an annual sustainability report, companies representing 83% of the region's market capitalization disclose sustainability information. Many Latin American companies follow the most widely acknowledged voluntary ESG disclosure initiatives, as well as the UN Global Compact – in which Latin America has the second largest number of companies after Europe.

Impact data across our portfolio

	Unit	2021	2022	2023
Social and/or Environmental assessment and management system (“Sustainability approach”)	% Yes	50%	50%	86%
Employees Dedicated to Social and Environmental Performance (“to Sustainability”)	% Yes	83%	83%	94%
Sustainability report published	% Yes	42%	44%	43%

Four years after investment, 100% of our portfolio companies have integrated sustainability practices into their business.



³⁵ESG survey results report: ESG in Latin America, International Bar Association, 2022

INVESTING RESPONSIBLY

PART IV



Visit and interview of a strawberry small farmer to assess progress made in the completion of Human Rights action plan by portfolio company Chavin in Peru

OUR RESPONSIBLE INVESTOR APPROACH

Blue like an Orange’s team believes that positive impacts on any sustainability factor must be generated, as much as possible, without negatively impacting any other of these factors.

A sound due diligence policy

Blue like an Orange implements a due diligence policy that is applied throughout the investment process and monitoring of the portfolio companies. This includes engagement policies, investment restrictions and due diligence on adverse impacts and sustainability risks.

Blue like an Orange performs a KYC and ethical check and an Environmental and Social (“E&S”) assessment to identify:

- environmental, social and governance events or conditions which, if they occur, could cause a material negative impact on the value of the investment; or/and
- activities of the investment that could have negative effects on sustainability factors.

The E&S due diligence is based on the Performance Standards (“PS”) developed by the International Finance Corporation (IFC).

The definition and monitoring of an Environmental and Social action plan to address the risks

During the execution of a transaction, an Environmental and Social Action Plan is contractually agreed with the company, addressing potential sustainability residual risk and adverse impacts to be remediated.



IFC PS Environmental and social risks, systematically addressed during due diligence

1 Risk Management • Environmental and social assessment and management system	2 Labor • Working conditions • Protecting the work force • Occupational health and safety • Workers engaged by third parties • Supply chain	3 Ressource Efficiency • Resource efficiency • Pollution prevention	4 Community • Community health and safety • Security personnel
5 Land Resettlement • Displacement • Private sector responsibilities under government-managed resettlement	6 Biodiversity • Protection and conservation of biodiversity • Management of ecosystem services • Sustainable management of living natural resources • Supply chain	7 Indigenous People • Circumstances requiring free, prior, and informed consent • Mitigation and development benefits • Private sector responsibilities where government is responsible for managing indigenous peoples issues	8 Cultural Heritage • Protection of cultural heritage in project design and execution • Project’s use of cultural heritage



ESG

Our ESG approach validated by the LUXFLAG ESG Label

Blue like an Orange Sustainable Capital Fund SICAV-SIF SCS is granted every year the LuxFLAG ESG Label for its sub-funds Latin America Fund I and Latin America Fund II.

Detailed PRI scorecard 2023

As a PRI signatory, Blue like an Orange reports publicly on its responsible investment activities each year. As a transparency practice encouraged by PRI, we publish below the summary of the Assessment Report, with the scores for the modules we responded to. Our practices are assessed positively across our asset classes. The improvement points relate to adapting some mainstream practices to the specificities of our products and operations (ex. we rather engage individually with each of our portfolio companies than collectively) and to further integrating ESG risks into our financial risk management processes.

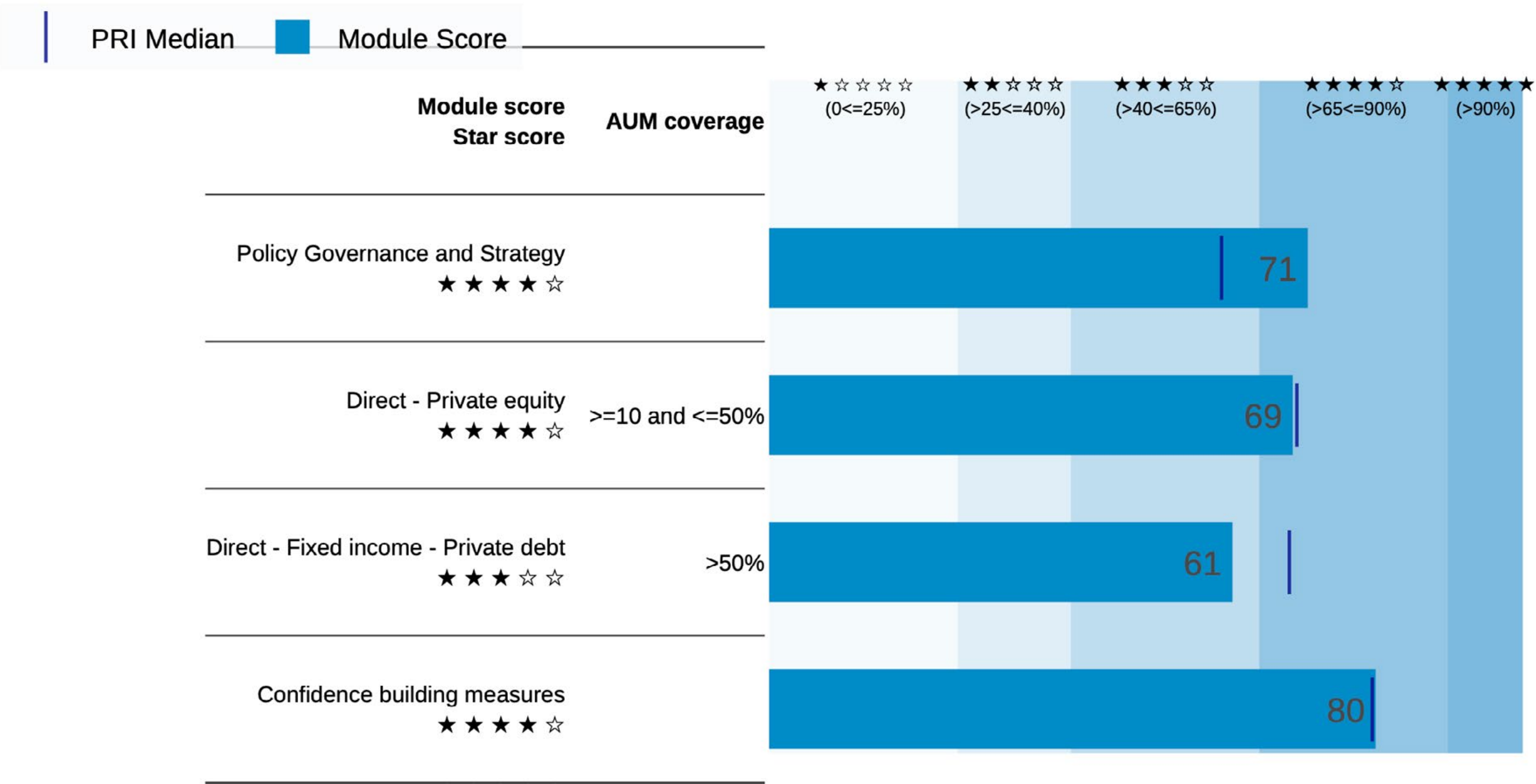
Some achievements on ESG practices in 2023

In 2023, Blue like an Orange’s Human Rights Policy was formally approved by our Board of Directors and entered into force, after having trained the team in 2022.

Besides the Unadjusted Gender pay gap, that was already measured in the previous year for regulatory purposes, we started measuring and engaging with portfolio companies on the Adjusted Gender Pay Gap. By accounting for the job positions (Leadership, Management and Staff), this indicator provides more insights on the factors leading to the pay gap and on which job level it is more evident.

Finally, we refined the employees’ turnover analysis by looking at voluntary and involuntary turnover rates distinctly, and distinguishing retention issues from firing, laying off or downsizing performed by the company.

Summary Scorecard



Unintended and/or negative outcomes and impacts

We disclose our unintended and/or negative outcomes and impacts in the “SFDR Statement on principal adverse impacts of investment decisions on sustainability factors” available on our website or on-demand.

Measurement of portfolio’s financed emissions

In 2023, Blue like an Orange performed the full assessment of its portfolio’s Carbon Footprint³⁶, including the Scope 3 GHG emissions.

GHG emissions associated with our investments in 2023:

Blue like an Orange	Unit	Portfolio total
Scope 1 GHG Emissions	tCO2eq	900
Scope 2 GHG Emissions	tCO2eq	2,354
Scope 3 GHG Emissions	tCO2eq	42,942
Total GHG Emissions	tCO2eq	46,197
Carbon footprint	tCO2eq/ M€ invested	400
GHG intensity of investee companies	tCO2eq/ M€ company revenue	499

Blue like an Orange defines with portfolio companies a remediating action plan when climate-related risks are identified as high pre-investment. In 2024, the Fund intends to go a step further by elaborating a Climate and Nature policy.

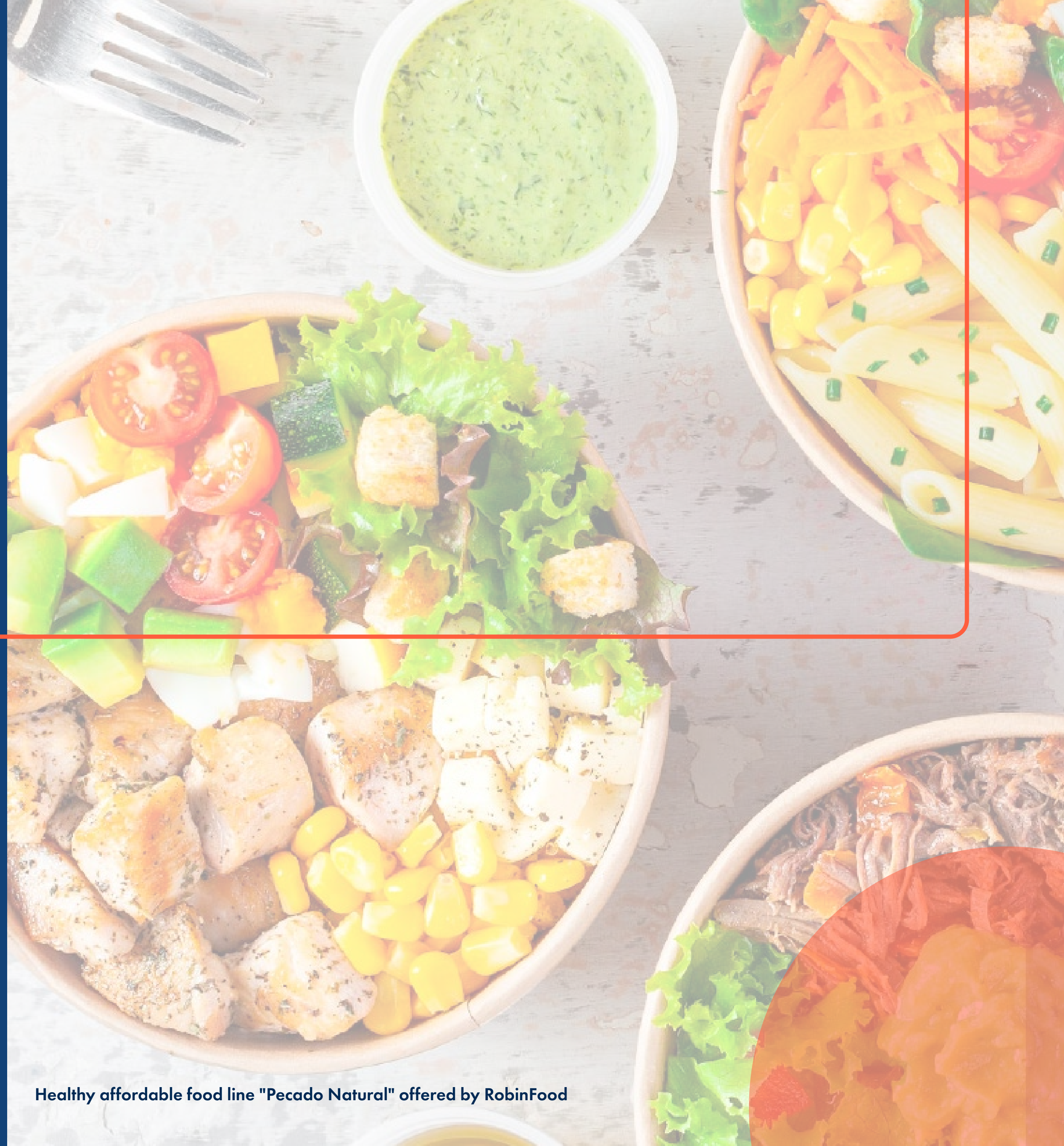
³⁶All the portfolio companies, apart from two in financial distress, were included in the calculation. See methodological note for more details.

CASE STUDIES

PART V

This section presents two examples of impact achievement during the year 2023. These case studies are illustrative of our impact management and measurement system developed throughout the report. They were selected by the investment and sustainability teams with the purpose of highlighting the situation of a company that scored the highest and of a company that scored the lowest in 2023 according to our impact scoring system. It includes the investee overview and impact thesis, as well as an impact performance, analysis, and commentary.

Healthy affordable food line "Pecado Natural" offered by RobinFood



RobinFood:**An investment with an impact score dropping below the minimum investment threshold in 2023****WHAT IMPACT WAS INITIALLY EXPECTED FROM THE INVESTMENT?**

RobinFood is an innovative “cloud-restaurant”, a combination of cloud-kitchen and traditional restaurant, that leverages technology to reduce food waste and offers quality and affordable food to the general population, providing an array of well-balanced meal options for both out-of-home and at home consumption.

The investment provided by Latin America Fund II aimed at broadening healthy food consumption for any household budget, through financing RobinFood’s expansion in Mexico and Brazil, as well as the consolidation of their operations in Colombia.

The impact targets were initially based on a double-digit growth of the number of clients over a three-year period, of which 68% would be low-income.

WHAT DID NOT GO SO WELL?

The Company had a very ambitious growth plan in three countries, which required significant additional capital to implement. Due to a challenging macroeconomic environment, the private and capital markets in 2022 were closed to opportunities such as RobinFood, forcing the Company to review its growth strategy, streamlining operations to achieve financial sustainability during a period of constrained capital. As a result, the number of employees as well as number of clients were significantly impacted.

The SDG Blue impact score dropped from a baseline of “C” at the time of investment in 2021 to “E” at the end of 2023, due to impact KPIs decreasing since investment date.

WHAT WAS OUR INVESTOR CONTRIBUTION IN A CHALLENGING CONTEXT?

On the commercial side, considering the revised plan that the Company developed to adapt to the challenging circumstances, the investment team had a strong engagement with the Company, not only through its participation at the board of the Company, but in a more constant manner, by monitoring results and helping to benchmark those across the industry and similar companies.

We exercised our influence to support some necessary strategic decisions to maintain or even increase impact. For example, when the Company had to reduce its product offering, the decision was made to keep the healthiest brands, since healthy food was core in the impact thesis. Also, during the discussion regarding how to improve the Company's profitability per restaurant, we supported a strategy through which the Company offered cross-menu promotions and upsizing options, which expanded the sales per store by providing options for customers willing to spend more on their meals, while maintaining affordable options for those more sensitive to pricing, in line with the Company’s mission to deliver healthy food at affordable prices for a large base of customers.

Finally, we adapted our reporting expectations to the new context and the limited resources dedicated to sustainability. We supported the Company in continuing to assess its carbon footprint based on a significant item approach, which was another important element in the impact thesis.

WHAT CAN BE LEARNED FOR THE FUTURE?

Looking back at the time of the investment we can draw some lessons. The sustainability/impact case relied on target KPIs for a high growth business plan, which have not been met, resulting in a lower rating than the one that was originally measured and expected. KPIs such as Employment and Number of Customers, which are directly connected to the health and growth of the Company, have performed below expectations, and had to be reset for the new reality of the business plan. It is important to understand and have flexibility at the time of setting such targets, particularly in the case of high growth companies if they are dependent on new capital to implement such plans.

As is well known, the quality of the management and the sponsors is a key factor for the success of an enterprise. We believe this is a good example of such concept: management has definitely stepped up to a complex and constrained situation, keeping at the same time the mission and vision that was initially defined.

Órigo Energia:

An integrated social and climate impact thesis with high impact performance

WHAT IMPACT WAS INITIALLY EXPECTED FROM THE INVESTMENT?

Founded in 2010 as a residential solar company, Órigo is a pioneer and the leading company in the solar distributed generation market in Brazil, in terms of number of clients. The Company started installing solar PV panels on residential homes and leasing customers the electricity generated, before transitioning to a developer and operator of solar farms with an innovative business model that offers solar energy to households and SMEs for monthly subscription plans.

Blue like an Orange funding contributed to the development and construction of new solar farms, as part of Órigo's expansion plan between 2021 and 2023.

WHAT MAKES IT A HIGH-IMPACT INVESTMENT TODAY?

Órigo's impact case is driven by its pioneering vision on broadening access to clean energy for retail consumers (i.e., individuals and SMEs). While traditional energy generation companies target large business consumers, Órigo offers these customers a turn-key solution to clean energy at more affordable prices, based on a discount to the regulated tariffs they would otherwise have access from local utilities, without the need of any upfront investment or changes to their homes or businesses electricity infrastructure.

Since our first investment, Órigo has grown ~5x its installed capacity, reaching +200MWac. With more than 110 thousand clients, Órigo now generates more than 466GWh of renewable energy annually,

which represents BRL 51.9 million in savings to its clients and more than 135 thousand tons of carbon emissions avoided.

The SDG Blue impact score improved from a baseline of "B" at the time of investment in 2021 to an "A" at the end of 2023, due to impact KPIs exceeding targets, employment generated in regions distant from the economic centers and accomplishments in building corporate sustainability practices.

AS AN INVESTOR, HOW DID WE CONTRIBUTE TO THE SUCCESS?

Since our first investment, Órigo has experienced exceptional growth and has gone through two relevant equity fundraising rounds, which will allow for an additional tenfold growth in the next few years. During this growth phase, the Blue like an Orange team worked closely with the Company and provided support both on sustainability and commercial aspects.

Regarding sustainability, the Team offered guidance to the Company on ESG databases, international frameworks, resources, and advisors. As part of the ESG Committee, which was formally established in December 2022, the Team, alongside other like-minded investors, makes recommendations to the board of directors on topics related to sustainability.

On the commercial front, Blue like an Orange has been an active member of the board of directors, offering strategic guidance and oversight to support Órigo's path for long-term execution and success. In addition, the Team has engaged with management in a more informal manner, having facilitated interactions with service and capital providers, broadening the Company's funding alternatives to support its accelerated growth. Furthermore, Blue

like an Orange contributed to increase the Company's visibility and reach in the market by promoting its presence at relevant events, such as ABVCAP's (Brazilian Private Equity Association) Sustainable Investments Forum (FIS) in 2023.

WHAT IS REPLICABLE FOR FUTURE INVESTMENTS?

The experience gained with this investment reinforces the importance of valuing in the selection process how sustainability is embedded across the company structure, even at early stage and without dedicated resources. Supported by like-minded investors (e.g., Blue like an Orange, MOV Investimentos, Augment Infrastructure, IFU and TPG ART) who value sustainability initiatives, Órigo's commitment to the ESG agenda starts at the board level and is widespread across its employees. Órigo has established an ESG Committee to leverage its investor expertise and strives to make this agenda a strategic priority, bringing these topics into board discussions and aiming to go beyond the clean energy focus, finding opportunities to also have a positive social impact, be it within its organization or in the communities it operates. As a result, the Company has a comprehensive and well-structured ESG strategy, which could be replicable to other Blue Like an Orange's investees, providing a model for impactful initiatives across the portfolio, in any sector or geography.

APPENDIX



Female field worker employed by our investee Colour Republic in a flower farm in Ecuador

REPORT CONTENT MAPPING WITH IMPACT PERFORMANCE REPORTING NORMS

Blue like an Orange intends to follow the guidance provided by the Impact Performance Reporting Norms V1 published in April 2024 by Impact Frontiers, as it participates in its Pilot program over 2024 and 2025. As a first approach, this content mapping table highlights to what extent the current content of the report covers the recommended content, as well as the aspects still to be covered.

Impact Performance Reporting Norm – recommended content	Section of the report	Page
1. ENTITY OVERVIEW AND IMPACT THESIS		
1.1. Entity Description	Entity overview	4
	Our vision & purpose	9
1.2. Impact Thesis	Our investment strategy	10-11
2. IMPACT MANAGEMENT PROCESS		
2.1. Process, Standards, and Frameworks -How impact influences decision-making throughout the investment process / investor contribution -Referencing third-party or in-house frameworks, standards, or tools used -Enterprise impact -How ESG and/or financial considerations are integrated.	-Our impact investor approach	13
	-Our commitments and partnerships	22
	-How we walk our talk	17
	-Our responsible investor approach	35
2.2. Identification of Stakeholders, Outcomes, and Impacts -How stakeholders, and the outcomes and impacts significant to stakeholders, are identified by the entity and/or by individual investees or assets. -How negative impacts, both expected and unexpected, are identified and managed.	-Not covered yet	/
	-Our responsible investor approach	35
2.3. Usage of Data How the entity collects and uses impact data, including ethical and privacy issues.	-Not covered yet	/
3. IMPACT PERFORMANCE		
3.1. Management Commentary	-Foreword	2
3.2. Impact Performance -Outcomes and impacts of investees/assets, as far down the impact pathway as possible; -Results relative to entities' own targets; -f appropriate, disaggregation of results (e.g., by gender, race/ethnicity); -If appropriate, use of standardized thematic taxonomies and/or metric sets; -Definitions of terms and metrics;	-2023 Portfolio impact performance dashboard, together with	23
	-Sectorial impact performance, and	24-29
	-Thematic impact performance	30-33

-Both positive and negative, intended and unintended results; -Investor contribution (financial and non-financial); -Results relative to sustainability thresholds -Evidence that the content represents stakeholder experiences and views; -Connections and relationships between impact and financial performance; -Results across the five dimensions of impact; -Areas of the report where data and evidence are relatively stronger or weaker. -Data sources, assumptions, calculations, and other methodological notes	-Our responsible investor approach -Not covered yet	35 /
	-Methodological note	43
3.3. Unintended and/or Negative Impacts Describe any unintended and/or negative impacts; include remediating actions taken or planned.		
	Our responsible investor approach	35
4. GOVERNANCE		
4.1. Entity Governance	Our organization and governance N.B. Not yet modeled on governance portion of International Sustainability Standards Board S1.	12
4.2. Diversity, Equity, and Inclusion Embed existing DEI frameworks designed by specialists (e.g., GIIN IRIS+, ILPA, PRI).	Our organization and governance	12
4.3. Parent Company Governance Impact governance of the entity's parent company that apply to the entity, if applicable.	Not applicable	/
5. CASE STUDIES	Part V Case studies	37-38
6. INDEPENDENT REVIEW (Optional)	Not performed	/

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Methodological note

For what concerns the impact indicators reported in this report, most of them were sourced by the GIIN IRIS+ Catalogue of metrics. The limitation associated to this methodology is that they mainly measure the impact-related output of our portfolio companies’ activities.

For what concerns the scope of the portfolio covered in this report, portfolio companies that during the reporting period entered in the status of financial distress, undergo an organizational restructuring or entered into judicial recovery, are excluded from the calculation of the indicators.

For what concerns the investment-weighted figures presented in the report, the attribution factor was calculated by dividing the current value of investments in the portfolio company at year-end 2023 by the company value at year-end 2023. The company value is calculated as the sum of equity (social capital and legal reserves) and debt (current and non-current loans from financial institutions) sourced from the 2023 balance sheet of the portfolio companies. The current value of investment is calculated as the sum of the total equity and debt provided by the Sub-Fund to the portfolio companies as of December 2023.

The GHG Scope 3 financed emissions assessment relies on a methodology differentiated according to the climate impact of the investees. For companies operating in high impact climate sector, we rely on the proprietary Scope 3 assessment of the company when available and in line with internationally recognized methodologies or, when not available, we rely on physical data collected on significant emission items using ADEME emission factors. For companies not operating in high impact climate sector, we rely on the proprietary Scope 3 assessment of the company when available and in line with internationally recognized methodologies or, when not available, we apply sectorial proxies (sourced from CO2 Logic) based on the revenues of the company. Specifically for financial institutions targeting SMEs, Blue like an Orange applied sector proxies on financed emissions given the size of the loan portfolio in the main sectors financed sourced from ADEME. The limitation associated with this methodology is the estimation through proxies. All indicators are based on the collection of portfolio companies’ declarative data, which are internally controlled by Blue like an Orange.

The information provided in this report reflects Blue like an Orange’s approach and knowledge as of December 31, 2023 and might be subject to change without notice. We do not undertake to update any of such information in this report.

BLUE LIKE AN ORANGE

Sustainable Capital

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