BLUEORCHARD IMPACT CALCULATOR

At BlueOrchard, we have spent more than 20 years working to bring the concept of impact investment into the financial mainstream. We've seen major progress and a fundamental shift in investor sentiments on impact and sustainability. We've also seen increased demand for a clear and more quantifiable way to calculate potential impact and provide a tangible connection between an investment and its social and environmental impact.

With that in mind, BlueOrchard is proud to launch the Impact Calculator with the specific goal of bringing our investors closer to the impact they are creating. The Impact Management specialists at BlueOrchard have dedicated time and resources to ensure via the most practical and verifiable formulae to show the link between investments and their downstream impact.

The Impact Calculator leans on the existing impact investing measurement and management tools and processes that BlueOrchard has spent the past two decades developing, refining and upgrading to suit the increased scale and reach of our investment solutions as well as the best-practices in the impact investment industry at large.

The B.Impact Framework (B.Impact), our proprietary sustainability and impact scoring methodology is the bedrock of the Impact Calculator. Every BlueOrchard investment is subject to rigorous pre-investment analysis, to determine whether the sustainability, ESG and impact propositions of both the portfolio company and the investment itself satisfy our criteria.

Once the investment is approved and disbursed, BlueOrchard's Impact Management team continues to aggregate and review data provided by each portfolio company to ensure that our expectations are met, and we have a quantifiable basis for our impact assumptions.

The Impact Calculator includes a pre-defined set of Key Performance Indicators (KPIs) across two overarching impact themes: inclusion and climate. The KPIs are subsequently split into subcategories as defined below.

All calculations are based on ongoing collections of data and projected estimates across BlueOrchard's funds. It is important to note that for simplicity's sake, each impact KPI is to be considered separately from the others, and looks at the impact that an investment would have if it were to be earmarked to a specific part of our investees' portfolios i.e., as an "either…or" result. For example, if an investor had invested USD 100'000 last year, he/she could have supported 42 Micro Small Medium Enterprises (MSMEs) or could have supported 6'605 climate insurance beneficiaries or could have contributed to reduce 65 tons of CO_2 emissions. In reality, investees in BlueOrchard funds typically have portfolios that cut across different impacts at the same time, while many also have activities that are outside of the impact areas assessed with this tool.

We leverage these assessments, ongoing collections of data and projected estimates to make the Impact Calculator work and have developed formulas for reviewing Key Performance Indicators across the following impact sub-categories:

- Financial Inclusion, specifically how many businesses and people are benefitting from access to credit and other financial services by way of a BlueOrchard Investment.

- Female Empowerment, specifically how many individual women entrepreneurs are able to access credit and other financial services by way of a BlueOrchard investment.

- Education, specifically (a) how many education providers are benefiting from working capital by way of a BlueOrchard investment, and (b) how many families and individuals are able to access credit to finance access to education with a focus on good quality education for low-income groups.

- Employment, specifically how many people are able to access work when microenterprises and SMEs are afforded better access to credit and other financial services.

- Climate Action, specifically how many poor and vulnerable people and Micro Small and Medium Enterprises (MSMEs) benefit from insurance products to ensure continuity of their livelihoods in the face of environmental vulnerability resulting from climate change, how many projected CO_2 tonnes of emissions can be reduced or how many MWh of renewable energy can be generated through renewable energy, energy efficiency and other sustainable infrastructure projects.

We have distilled our data into replicable formulae that can provide current investors with a closer connection to their impact, and prospective investors with the impact they can create by participating in a BlueOrchard strategy.

While our lawyers will insist that we say these figures are not a guarantee, and past performance is not an assurance of future results, we believe this new BlueOrchard innovation will make a real contribution towards our goal of bringing the investor closer to their impact via a level of transparency that is a key part of our fiduciary responsibility as a leading impact investing asset manager.

For further questions please contact our team at impactmanagement@blueorchard.com.