BAMBOO
CAPITAL PARTNERS

BLOC Smart Africa – REGULATION (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR")

BLOC Smart Africa aims to make sustainable investments that contribute to achieve significant progress towards the SDGs in Africa by developing and commercializing new technologies. In order to attain its sustainable investment objective, BLOC Smart Africa invests in accordance with its investment policy in target businesses which are considered as contributing to driving positive social and environmental change, aligned with its impact thesis. This means that BLOC Smart Africa focuses on identifying targets whose products, technologies and/or services contribute to achieve progress towards the SDGs.

BLOC Smart Africa will seek to achieve its investment objectives by investing primarily in entrepreneurial ventures applying technology solutions to deliver scalable social and environmental impact in Africa and contribute to the achievement of the UN SDGs, while mitigating the risks of negative impacts through ESG integration, exclusions and engagement with investees.

In pursuing its sustainable objective, BLOC Smart Africa also places a priority on the effective management of potential Sustainability Risks associated with its investments to do no significantly harm to any area of environmental or social concern. The Fund seeks to integrate Sustainability Risk considerations all along the investment process. Towards that end, BLOC Smart Africa has implemented and maintains a specific investment process making a sustainability risk and impact assessment of each potential investment

Impact & ESG risk management process

Management of both positive and negative impacts of investments is at the core of BLOC Smart Africa. BLOC Smart Africa has designed an impact framework specifying its theory of change, detailed guidelines and impact indicators that will be measured at the portfolio company level and at BLOC Smart Africa level, as well as a policy on the assessment and management of ESG risks, ESG requirements and a comprehensive exclusion list of harmful sectors BLOC Smart Africa is prohibited from investing in. The Impact Framework also specifies the processes and roles with respect to impact management.

Detailed investment criteria to support BLOC Smart Africa 's sustainable investment objective are set forth in its Investment Guidelines to ensure that BLOC Smart Africa contributes to its impact objective of driving progress towards the SDGs in Africa by investing in technology startups.

In order to achieve its Impact Objective, BLOC Smart Africa 's impact management process is deployed at every stage of the investment strategy.

Pre-Investment: Prior to investing in a company, BLOC Smart Africa checks that the potential investment is aligned with its impact thesis to deliver scalable social and environmental impact in Africa and contribute to the achievement of the SDGs. Following the screening phase, a thorough due diligence is performed on selected companies to analyse the expected impact of the company and conduct an ESG risk assessment, leading to an ESG risk score. The analysis on the potential development impact of the investment (positive impact generated), as well as the ESG risk assessment (risk of negative impacts), are both included in the investment memorandum submitted to the Investment Committee. These analyses are discussed in the Investment Committee and form part of the investment decision.

Investment: Upon approval of the investment, BLOC Smart Africa defines with the investee company the selected impact indicators to be monitored and reported on a regular basis. If some significant ESG risks have been identified during the ESG due diligence, BLOC Smart Africa may also include conditions in the investment agreement related to the monitoring of those specific ESG risks.

Post-investment: During the post-investment period, BLOC Smart Africa monitors the impact data reported by its investees at the agreed upon frequency. Additional in-depth impact analyses beyond "core" impact metrics may be carried out upon availability of resources. In case specific ESG risks have been identified, BLOC Smart Africa monitors the progress reported by investee companies in monitoring and mitigating those risks. As an equity investor, BLOC Smart Africa usually sits on the board of investees to oversee and enhance the impact strategy and analysis of social performance as well as contribute to financial matters.

Divestment: For equity investments, BLOC Smart Africa seeks to divest to trustworthy investors who will allow and enable the companies to pursue their missions and visions. BLOC Smart Africa also aims for organized, simple, fair and transparent divestment processes.

Whilst BLOC Smart Africa does not exclude investees that do not yet have a full environmental and social managements system, and actively engages its investees to ensure that they have minimum standards in place and are well positioned to improve their practices over time.

The social performance of our investment in investees is periodically evaluated. Some of the key indicators used by BLOC Smart Africa to measure the attainment of its impact objective include the following:

Key output indicators of BLOC Smart Africa include:

- Number of leads identified to become prospective investees for BLOC Smart Africa (per year)
- Number of new investments made by BLOC Smart Africa (per year)
- Amount of capital disbursed by BLOC Smart Africa (in EUR per year)
- Total number of outstanding investments in BLOC Smart Africa (by year end)
- Total amount of capital outstanding in BLOC Smart Africa (in EUR by year end)

Key outcome indicators of BLOC Smart Africa include:

- Number of individuals employed by investee companies
- Number of individuals served (as customers or users) by BLOC Smart Africa investee companies
- Number of lives impacted with access to essential products and services powered by technology
- BLOC Smart Africa level - Amount of first loss raised
- BLOC Smart Africa level - Additional funding catalyzed from private investors
- Amount provided by other lenders or investors of portfolio companies that BLOC Smart Africa has contributed to catalyze
- Number of BLOC Smart Africa investees that will receive additional follow-on or co-investment capital (per year)
- Amount of additional capital provided to BLOC Smart Africa Investees as co-investment or follow-on by other funding sources (in EUR per year)
- Aggregated revenues generated by BLOC Smart Africa portfolio companies (in US$ per year)
- Number of new jobs created in Sub-Fund's investees
- Number of new ripple jobs created upstream and downstream of value chains
- Number of forums/conferences, incubator and accelerators where BLOC Smart Africa is sharing experience.

Other investment-specific indicators will be tracked. These indicators will depend on the sector and the specific business model of the company.

Beyond these output and outcome indicators, BLOC Smart Africa will report on progress made towards the SDGs, by linking the cross-portfolio and investment-specific impact metrics reported by the companies to the relevant SDGs. Each investment will have its own set of metrics depending on its sector and business model. BLOC Smart Africa will consolidate investee's impact metrics per SDGs.

Integration of sustainability risks into the investment decisions of BLOC Smart Africa

BLOC Smart Africa integrates Sustainability Risks into decision-making and investee engagement throughout the investment process. BLOC Smart Africa has defined an exclusion list of harmful sectors that BLOC Smart Africa is prohibited from investing in. BLOC Smart Africa 's investment evaluation" of investees includes an environmental, social and governance ("ESG") risk assessment, leading to an ESG risk score according to the level of ESG risks. The ESG risk assessment, conducted during the due diligence phase, is customized according to the profile of the investee. Results of the ESG due diligence are included in the investment memorandum presented to the Investment Committee whose investment decision informed by the review of ESG factors. Where ESG-related risks cannot be mitigated to a satisfactory extent, the investment will not proceed. Where significant sustainability risks are identified as a result of the ESG due diligence of an investee, a clear ESG risk mitigation strategy may be requested as a prerequisite for investment, and regular updates related to the ESG risk mitigation strategy and/or ESG action plan as a reporting requirement.

Throughout its portfolio of investments, BLOC Smart Africa collects, analyzes and consolidates the impact metrics of portfolio companies. Upon approval of the investment, BLOC Smart Africa defines selected impact indicators to be monitored and reported on for each investee, aligned with BLOC Smart Africa 's impact thesis. BLOC Smart Africa reports back to investors on progress and informs them of any development that can affect the impact of portfolio investments. Additional in-depth impact analyses may be carried out upon availability of resources.

Engagement with investees, including on ESG matters, is an integral component of the investment cycle and contribution to positive development impact.

Assessment of the likely impacts of sustainability risks

BLOC Smart Africa is exposed to sustainability risks in the form of ESG events and conditions that can have negative impacts on the assets, financial and/or earnings situation, or the reputation of BLOC Smart Africa. BLOC Smart Africa is exposed to the Sustainability Risks that its investees are exposed to through their operations and clients. When providing venture capital financing, BLOC Smart Africa may be impacted by ESG events impacting the investees and their stakeholders. This risk is amplified by the often weaker environmental and social laws and enforcement thereof in the developing countries in which BLOC Smart Africa operates.

Given BLOC Smart Africa 's portfolio composition, investees targeted by BLOC Smart Africa may trigger the risk of negative impact on the environment and society in the form of water pollution, carbon emissions, release of hazardous substances, threats to local biodiversity, in areas or sectors subject to extreme weather events, child labor, forced labor/exploitative working conditions, hazards to health and safety, impacts to indigenous people and cultural heritage, population displacement, monopoly of contractors, lacks in client information and/or protection, data privacy, poor governance, corruption, money laundering and/or link to armed groups.

If not adequately managed, these impacts may negatively affect the investees' reputation, regulatory compliance and financial viability. Given BLOC Smart Africa 's strategic impact focus, such impacts can in turn negatively affect BLOC Smart Africa 's credit risk profile, reputation and/or its financial and/or earnings situation.

However, these sustainability risks are mitigated by BLOC Smart Africa 's investment strategy to generate positive impact by investing in entrepreneurial ventures applying technology solutions to deliver scalable social and environmental impact in Africa and contribute to the achievement of the UN Sustainable Development Goals (SDGs), as well as BLOC Smart Africa 's exclusion list, ESG policy targeting companies with low to medium ESG risk, and diversified portfolio. BLOC Smart Africa applies an exclusion list prohibiting activities that involve significant negative impact on the environment or society (ex: child labor, forced labor). BLOC Smart Africa refrains from financing activities with a high level of ESG risk, based on a specific ESG risk assessment conducted during due diligence. In addition, BLOC Smart Africa is requiring its investees to comply with a set of ESG requirements and, where necessary, engages with investees to ensure improvement of their ESG performance. Mandatory incident reporting further facilitates the Fund's ESG risk management. Finally, BLOC Smart Africa 's engagement with investees, including on ESG matters, is an integral component of BLOC Smart Africa 's investment cycle and contribution to positive development impact.

Assessment of inherent ESG risks:

Assessment of residual ESG Risks (after mitigation controls):