

CASE STUDY | BBOXX CAPITAL – A SOLAR POWER HOME SYSTEMS COMPANY

In December 2018 the African Infrastructure Investment Fund 3 (AIIF3) acquired a minority stake in BBOXX's operations in East Africa, as part of a US\$31 million investment plan.

BBOXX Capital is a pay-as-you-go solar electricity service company that designs, manufactures and distributes plug-and-play solar home systems for off-grid rural and peri-urban communities. AIIF3 has a minority interest in BBOXX's subsidiaries operating in Kenya, Rwanda and the Democratic Republic of Congo, referred to as Next Generation Utilities (NGUs).

BBOXX's vision is to provide 20 million people with electricity by 2020. BBOXX focuses on satisfying the fundamental need for electricity as well as providing superior customer service.

To date:

OVER 250 000 PEOPLE

have been positively impacted by BBOXX solar products

4 GWH OF ENERGY

have been generated using BBOXX solar home systems

63 000 SCHOOL-AGED CHILDREN

can now study comfortably

US\$2.4 MILLION

has been saved in energy expenses

40 000 TONNES OF CO₂

has been offset



At the start of the deal ESG screening was undertaken to identify key risks and opportunities. We also ensured the deal was aligned with the AIIF3 mandate, identifying the standards and guidelines to be applied. We then defined the scope of the due diligence phase and the skills and experience required by advisers undertaking it. We appointed Ibis ESG Consulting to conduct the environmental and social due diligence (ESDD) for the transaction.

Ibis ESG Consulting undertook a full ESDD, including paying site visits and conducting detailed interviews with BBOXX management. Findings from the ESDD then informed an environmental and social action plan (ESAP), which would be implemented in the business once the transaction had been finalised. ESG implementation clauses were also incorporated into legal

documents and contracts to ensure that the portfolio company meets OMAI's ESG requirements.

From a company structure perspective, AIIF3 and BBOXX have invested into a holding company called Beyond, which holds equity in each of the NGUs. BBOXX also maintains a direct equity holding in each of the NGUs. Three AIIM investment professionals sit on the Board of Beyond, and at NGU level in each country two AIIM representatives sit on boards, including an AIIM-appointed independent director on two of the NGU boards. Within NGUs there are also audit and risk, remuneration and ESG subcommittees. It is through these governance structures that AIIM drives ESG performance. 🌱