

# FINDEV CANADA TRANSACTION SUMMARY

## Creador

*This document provides an overview of the FinDev Canada transaction, including a summary of the anticipated development impacts and of the environmental and social (E&S) risk assessment performed, potential risks identified, and related mitigation measures to be implemented.*

# Creador<sup>®</sup>

## Transaction Description

Creador VI L.P. ("Creador VI") is a private equity fund operating in the Indo-Pacific which is managed by Creador Management VI Ltd. (the "Fund Manager" or "Creador"). FinDev Canada's US\$ 37.5 million equity commitment to Creador VI will help support growth-oriented, mid-cap enterprises that wish to enhance business operations, expand internationally or pivot into new areas of growth. The Fund has attracted investment from some of the world's largest institutions and will target sectors, such as consumer, retail, financial services, and business services.

## Transaction Details

<b>COUNTERPARTY</b>	Creador VI L.P. ("Creador IV" or "the Fund")
<b>DOMICILE</b>	Mauritius
<b>COUNTRY(IES) OF OPERATION</b>	Indo-Pacific region
<b>TERM OF FINANCING</b>	N/A
<b>SECTOR</b>	Financial Industry
<b>E&amp;S CATEGORY</b>	FI-2
<b>FINANCING PRODUCT</b>	Equity
<b>FINDEV CANADA TRANSACTION AMOUNT</b>	US\$ 37.5 million
<b>DATE OF TRANSACTION DISCLOSURE</b>	01 October 2024
<b>DATE OF TRANSACTION SIGNING</b>	29 November 2024
<b>DATE OF TRANSACTION SUMMARY PUBLICATION</b>	26 February 2025
<b>DATE OF UPDATED TRANSACTION SUMMARY PUBLICATION</b>	6 March 2025
<b>2X ALIGNMENT</b>	Yes, under 2X Employment and Portfolio Criteria

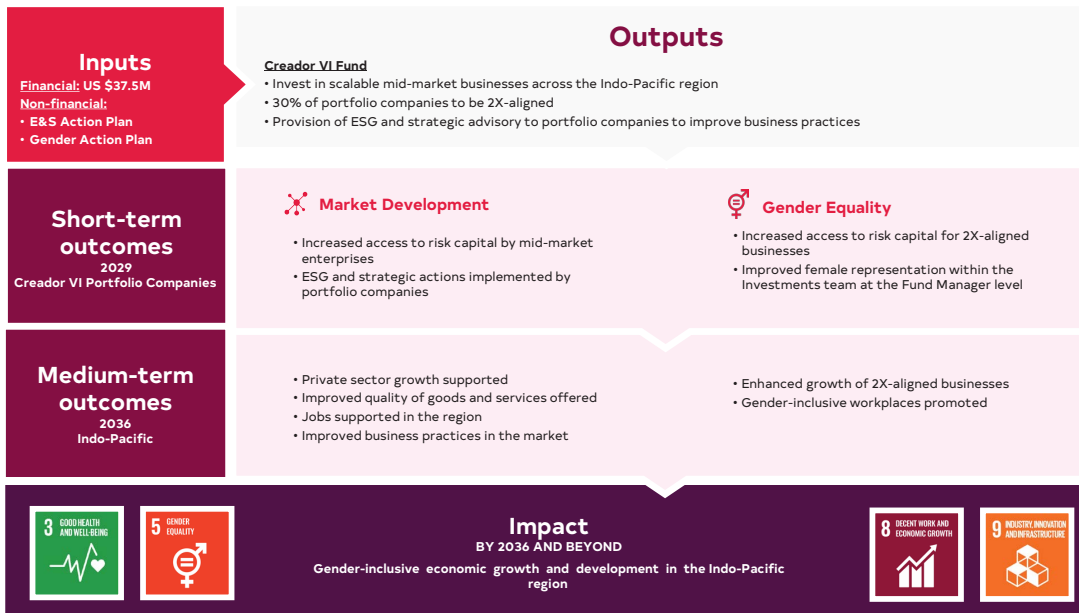
## Summary of Anticipated Development Impacts

The development impact value proposition of this transaction is to contribute to the development of a scalable and inclusive private sector in the Indo-Pacific, which, in turn, propels market development, gender-related action, and poverty reduction.

It is estimated that achieving the United Nations' Sustainable Development Goals (SDGs) requires an average annual financing of US\$1.5 trillion in the Indo-Pacific<sup>1</sup>. The region faces a significant financing gap, particularly in terms of access to capital, which severely impacts the growth of small and medium enterprises (SMEs), including women-owned/led ones. As a result, private sector support through private equity backing is critical for local businesses unable to access capital through traditional channels.

By partnering with a well-established fund manager, FinDev Canada will enable Creador VI to extend capital and advisory services to local growth-oriented mid-market enterprises. These firms are expected to respond to the rising consumer demand for quality goods and services, as well as to support formal employment.

Creador's intentionality to make positive contributions through investments is reflected in its impact objectives, which are measured through clearly defined Key Performance Indicators. The Development Impact Theory of Change below summarizes how Creador VI is expected to contribute to FinDev Canada's long-term development impact goals and the SDGs, in particular SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 9 (Industry Innovation and Infrastructure). All outputs and outcomes in this assessment are unattributed and represent the Fund's portfolio companies in aggregate, not FinDev Canada's pro rata component.



<sup>1</sup>United Nations Economic and Social Commission for Asia and the Pacific. *Sustainable Finance: Bridging the Gap in Asia and the Pacific*. 2023. <https://www.unescap.org/kp/2023/sustainable-finance-bridging-gap-asia-and-pacific>.



## MARKET DEVELOPMENT

- **Facilitating access to growth capital and advisory for local companies:** Founded in 2011, Creador has raised over US\$ 3 billion in Assets Under Management across six funds. With a significant on-the-ground presence in the Indo-Pacific, the Fund Manager's strength, among other factors, lies in its team. The organization directly employs over 80 individuals, which includes an all-local executive team. Creador VI plans to invest across multiple countries, including high growth-markets of Malaysia, Indonesia, India, and the Philippines. The Fund will seek to diversify exposure across consumer, retail, financial services, business services, healthcare, manufacturing, and technology companies. In addition to capital, the Fund Manager aims to deploy its dedicated in-house consulting team to provide strategic support to portfolio companies. Typically, this support is intended to drive business growth and financial performance, improve compliance and risk management, spur adoption of energy-efficient practices, optimize waste management, create a safe working environment, and promote equal opportunity and diversity.



## GENDER EQUALITY

- **Increasing access to capital for 2X-aligned companies:** Creador promotes gender equality internally and across its portfolio. Women represent 60% of its Board, 42% of its workforce, and 29% of its senior management. Since 2022, the Fund Manager has fully implemented a Gender Action Plan which included establishment of a Gender Equality and Inclusion Policy, creation of a gender-equality scorecard for evaluating portfolio companies, and provision of gender advisory services to portfolio companies of its predecessor fund. Creador VI is the Fund Manager's first 2X-aligned fund. The Manager has committed to specific gender-related actions (such as its participation in global gender-lens investing networks) and to continue working towards increasing women's representation in its workforce to at least 45%. To fulfil the Portfolio Criteria, Creador VI has made a commitment that at least 30% of its portfolio companies would be 2X-aligned at the time of investment.

## Summary of Environmental and Social Assessment and Related Risk Mitigation Measures

This review has been completed in accordance with FinDev Canada's Environmental and Social (E&S) Risk Policy. The transaction is rated Category FI-2, given the nature and size of its investment portfolio with a proposed pipeline of medium risk sectors, which could be exposed to adverse E&S risks that are few in number, typically site-specific, generally reversible, and readily addressed through mitigation measures. This is the client's first transaction with FinDev Canada, although Creador has previously worked with other peer development finance institutions (DFIs).

FinDev Canada's E&S risk due diligence was undertaken between September 3, 2024, and October 4, 2024, and consisted of track record searches, direct engagement with the client's representatives and E&S personnel, and a review of E&S documentation.

The primary risks associated with the Fund's future portfolio companies will be company- and sector-specific. These include risks generally associated with consumer, retail, healthcare, financial services, business services, manufacturing, and technology across Southeast and South Asia. These risks typically include labour rights and working conditions, occupational health and safety, consumer and client protection, and data privacy, among others. Other risks also include gender-based violence and harassment (GBVH) and supply chain risks that are associated with manufacturing activities.

These risks are mitigated by the Fund's Environmental & Social Risk Management System (ESMS) and related policies and procedures, which are aligned with local regulations, and which follow the requirements of the International Finance Corporation (IFC) Performance Standards (PS). The FinDev Canada E&S Risk Management Team is of the opinion that adverse environmental and social risks associated with the Fund's investment portfolio will be mitigated in a manner that aligns with the FinDev Canada Environmental and Social (E&S) Risk Policy and the IFC PS and relevant International Standards. Gaps have been captured in an Environmental and Social Action Plan (E&S Action Plan).

The following IFC PS were applied in FinDev Canada's assessment, in addition to host country requirements and the IFC Interpretation Note on Financial Intermediaries:

- IFC PS 1: Assessment and Management of Environmental and Social Risks and Impacts; and
- IFC PS 2: Labor and Working Conditions.

For further information on Creador's ESG approach and commitments, visit <https://creador.com/creating-value/cxg-esg/>.