

## Environmental and Social Data Sheet

### Overview

Project Name:	JASMINE PRIVATE MARKET FUND I
Project Number:	2021-0135
Country:	Regional – Southeast Asia
Project Description:	Equity fund targeting climate-related, growth capital investments in SMEs in Southeast Asia.
EIA required:	Some underlying investments may require an EIA
Project included in Carbon Footprint Exercise <sup>1</sup> :	no
(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)	

### Environmental and Social Assessment

#### Environmental Assessment

The operation concerns an investment in Jasmine Private Market Fund I (the “Fund”), a new investment vehicle focusing on providing equity to support the growth of Small and Medium Enterprises (SMEs) targeting the achievement of the United Nations Sustainable Development Goals (SDGs). The Fund is expected to make investments in renewable and energy efficiency, water and waste management, healthcare and digital transformation (and potentially agribusiness) across South East Asia.

The operation will contribute to the Bank’s Climate Action targets outside the EU and to other environmental objectives such as wastewater management, water quality and supply, resource efficiency and circular economy, and therefore it is proposed under the Climate Action and Environment Facility (CAEF), with a minimum of 50% of the Fund’s investments in climate change mitigation technologies.

The Fund Manager (FM) will be required to ensure compliance of the investments with the EIB Excluded and Restricted Lists of activities, the EIB Environmental and Social (E&S) Standards and core E&S requirements, as well as the E&S national laws and regulations.

The mitigation of key risks and impacts derives from the Fund’s capacity to identify and manage the potential environmental and social risks and impacts associated with the investment (projects) in the pipeline and to maintain and operate an appropriate environmental and social management system. The Fund Manager has therefore put in place

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<sup>1</sup> Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

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a robust ESG policy, and impact strategy, including an Environmental and Social Management System (ESMS) and a proprietary impact measurement and monitoring system.

The Fund's ESMS contains a risk categorisation process and incorporates the IFC performance standards. It is thus considered to be broadly in line with the Bank's requirements. As part of its processes, the Fund Manager assesses the potential underlying company's existing ESG policies, systems and monitoring and where shortcomings are identified, a corrective action plan with key milestones and timelines is agreed with the underlying investee companies.

The FM has shared a preliminary pipeline of potential deals, which so far includes companies specialising in renewable energy (roof top solar PV), energy efficiency (building systems, e-transport), circular economy (waste and wastewater treatments) and to a lesser extent digital and healthcare industries.

Some of the investments (i.e. waste or wastewater investment) may need to undergo a full ESIA (Environmental Social Impact Assessment), as required by the respective national regulations. Depending on the outcome of the screening, a full ESIA may be required, in which case the corresponding full studies will be published by the investee and / or the FM, and will be sent to the Bank. Most of the other projects, however, may not be subject to an ESIA process due to their size and technical characteristics. Nonetheless, in line with the best international practice and the EIB's E&S standards, they would require a thorough screening in all cases, including their impact on biodiversity and critical habitat, and potentially require public consultation.

## **Other Environmental and Social Aspects**

The Fund will be managed by an independent fund manager established in 2018 with a dedicated focus on investments with measurable environmental and social impact. The Fund has a fully dedicated local team consisting of 5 senior investment professionals with combined general private equity experience of over 65 years and over 30 years in ESG & impact investment, and 5 junior staff.

Each member of the senior team is responsible for the integration of ESG and impact in all investment processes. Two internal ESG and impact committees can be consulted by the investment team on specific questions and issues related to E&S.

Before the first closing, the Fund will have in place an ESG professional to complement the existing team and will submit to the Bank relevant evidence.

## **Conclusions and Recommendations**

The Fund's procedures to ensure compliance with the EIB E&S Standards, core E&S requirements, as well as the E&S national laws and regulations, appear acceptable in view of its potential pipeline of investments, considering the following conditions and undertakings:

- The Fund will incorporate the EIB's environmental and social requirements into its legal documentation to the satisfaction of the Bank, and will enhance its ESMS to incorporate the EIB's environmental & social requirements (such as Rights and Interests of Vulnerable groups), and include a communication mechanism for external stakeholders as part of its Grievance Redress Mechanism and the EIB's excluded activities list.

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- The Fund will require the underlying investee to publish on its website any E&S documentation – where applicable. Should the investee not have the capacity to do so, the Fund will be responsible for publishing all environmental and social documents on its website.
- The Fund will require the underlying investee to exclusively use sustainable biomass excluding biomass in competition with food or coming from irrigated plantations or from areas with natural forest conversion and logging of primary moist and tropical forests.
- The Fund will, on an annual basis, prepare and submit to the Bank an aggregated E&S performance/impact report.

With these conditions in place, the Fund is considered acceptable for the Bank in environmental and social terms.