

Public Information Summary
Wavemaker Impact Sub-Fund 1

Host Country(ies)	Cambodia, India, Indonesia, Malaysia, Philippines, Vietnam, Singapore, Thailand
Name(s) of Fund	Wavemaker Impact Sub-Fund 1
Name of Fund Manager	Wavemaker Pacific Partners Pte. Ltd.
Project Description	Climate-focused Southeast Asia venture build fund.
Proposed DFC Equity Investment	\$15 million
Target Fund Size	\$60 million
Policy Review	
Developmental Objectives	The Fund is expected to have a positive development impact in Southeast Asia by providing much needed capital to innovative early-stage companies that use new and existing technologies to address climate change. More specifically, the Fund seeks to invest in concepts that address inefficiencies in high carbon emitting activities in the region, including land use change, agriculture and food processing, transportation, industrial processes, and electricity for buildings and industry. As a venture-builder, the Fund Manager seeks to work alongside entrepreneurs to develop their business model, launch product concept and company, and build and scale operations. As part of its strategy, the Fund Manager will seek to acquire minority positions in the Fund's portfolio companies and accompany each start-up through its growth stages from a microenterprise to a small and medium enterprise ("SME") and potentially larger middle-market firm.

Environment and Social Assessment

SCREENING: Equity investments in a fund are screened as a Category D (FI-B) activity for the purposes of environmental and social assessment. Based on DFC's due diligence, the Fund's downstream investments are anticipated to pose medium or limited environmental and social risks that are site specific and that can be readily mitigated through the application of sound environmental and social management practices. Consistent with DFC's policy on assessment of financial intermediary transactions (dated April 2020) the Fund is eligible for delegated responsibility for the application of DFC's policies related to environmental and social

impact assessment, risk management, and monitoring. In order to ensure that the Fund's investments are consistent with DFC's statutory and policy requirements, the Project will be subject to conditions regarding the use of the DFC proceeds.

APPLICABLE STANDARDS: Under DFC's ESPP, the Fund is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation's Performance Standard ("PS") 1 and 2. A desktop based due diligence assessment indicates that because the Project involves an investment in a financial intermediary that will focus on reducing carbon output involved in land use and carbon sink; agriculture and food processing; transportation and fleets; industrial processes; and electricity for buildings significant adverse impacts with respect to community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples and cultural heritage are not anticipated. Therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time. DFC's ESPP requires fund managers to maintain an ESMS that appropriately identifies, assesses, manages, and monitors risks with respect to the IFC Performance Standards the General and Sector-specific EHS Guidelines.

Climate change resilience assessments for Category D (FI-B) projects are not required under DFC's policies.

Consistent with DFC's policy on policy assessment of financial intermediary transactions (dated April 2020) the Fund is not eligible to make investments in Category A projects.

Environmental and Social Risks and Mitigation: The Fund Manager has experience applying an ESMS that generally aligns with international best practice. The Fund will be required to develop an ESMS, based on the existing ESMS tailored to start-up companies and aligning with DFC's ESPP. The Fund will be required to incorporate DFC's categorical prohibitions and Category A list as part of their environmental and social screening procedures. The ESMS will include requirements for the Fund to identify environmental and social risk, utilize environmental and social risk assessment in investment decisions, and monitor and report on the environmental and social performance of its portfolio. Additionally, the Fund will be required to maintain an external grievance mechanism for populations impacted by portfolio companies. The Fund's HR management is governed by the Fund

	<p>Manager's HR Manual which comprised of the requisite HR policies and procedures. However, to further strengthen its workforce management, the Fund will be required to revise its internal grievance mechanism.</p>
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