

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant Bamboo Financial Inclusion Fund II, S.A., SICAV-SIF- MICROFINANCE EQUITY ALLIANCE II (the “Sub-Fund”)

Summary

The Bamboo Financial Inclusion Fund II considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of the Bamboo Financial Inclusion Fund II.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January to 31 December 2023.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
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CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	31.478 tCO ₂ eq	92 tCO ₂ eq	This indicator is estimated using the Joint Impact Model SFDR PAI calculation tool with inputs from investee companies.	No specific quantitative targets have been set related to this PAI for the next reference period.
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		Scope 2 GHG emissions	619.69 tCO ₂ eq	1,145 tCO ₂ eq	This indicator is estimated using the Joint Impact Model SFDR PAI calculation tool with inputs from investee companies.	No specific quantitative targets have been set related to this PAI for the next reference period.
		Scope 3 GHG emissions	875.40 tCO ₂ eq	1,864 tCO ₂ eq	This indicator is estimated using the Joint Impact Model SFDR PAI calculation tool with inputs from investee companies.	No specific quantitative targets have been set related to this PAI for the next reference period.
		Total GHG emissions	1,526.57 tCO ₂ eq	3,102 tCO ₂ eq	This indicator is estimated using the Joint Impact Model SFDR PAI calculation tool with inputs from investee companies.	No specific quantitative targets have been set related to this PAI for the next reference period.
	2. Carbon footprint	Carbon footprint	57.61 tCO ₂ eq/€M	122.14 tCO ₂ eq/€M	This indicator is estimated using the Joint Impact Model SFDR PAI calculation tool with inputs from investee companies.	No specific quantitative targets have been set related to this PAI for the next reference period.

	3. GHG intensity of investee companies	GHG intensity of investee companies	197.43 tCO ₂ eq./€M	309.68 tCO ₂ eq./€M	This indicator is estimated using the Joint Impact Model SFDR PAI calculation tool with inputs from investee companies.	No specific quantitative targets have been set related to this PAI for the next reference period.
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	0%	The fossil fuel sector is not part of the investment strategy of the Bamboo Financial Inclusion Fund II. None of the Bamboo Financial Inclusion Fund II's investees are active in the fossil fuel sector.	The Bamboo Financial Inclusion Fund II will not invest in companies active in the fossil fuel sector. The target for this PAI for the next reference period is therefore 0%.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy	Consumption: 64,74% Production: N/A	Consumption: 75,41% Production: N/A	Investees of the Financial Inclusion Fund II are not involved in energy production. The share of energy consumed from non-renewable energy sources by investee companies, compared to renewable energy sources, has been estimated based on the	No specific quantitative targets have been set related to this PAI for the next reference period.

		sources, expressed as a percentage of total energy sources			share of non-renewable energy sources in the national grids in the countries where investees operate.	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	N/A	N/A	Over the reporting period, the Bamboo Financial Inclusion Fund II's investees included one microfinance institution (MFI), four fintech companies and one financial institution. These companies are not in a high impact climate sector.	For the upcoming reference period, the Bamboo Financial Inclusion Fund II will seek to engage as far as possible with current and potential investees to implement systems to collect and monitor data against this indicator.
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas	0%	0%	The sites and operations of Bamboo Financial Inclusion Fund II's investees do not have negative effects on biodiversity-sensitive areas.	No specific quantitative targets have been set related to this PAI for the next reference period.

		where activities of those investee companies negatively affect those areas				
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A	Financial intermediaries generate a negligible amount of emissions to water given the financial services operations of their direct activities. Efforts are being made to calculate or estimate emissions to water of underlying portfolios. This data is currently not available.	No specific quantitative targets have been set related to this PAI for the next reference period.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A	Financial intermediaries generate a negligible amount of hazardous waste given the financial services operations of their direct activities. Efforts are being made to calculate or estimate the hazardous waste generation of underlying portfolios. This data is currently not available.	No specific quantitative targets have been set related to this PAI for the next reference period.

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	0%	No violation of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises have been identified within Bamboo Financial Inclusion Fund II's investees.	No specific quantitative targets have been set related to this PAI for the next reference period.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to	100%	100%	None of the Bamboo Financial Inclusion Fund II's investees report having policies to monitor compliance with the UNGC principles and OECD Guidelines for Multinational Enterprises.	No specific quantitative targets have been set related to this PAI for the next reference period.

		address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises				
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	21%	22,2%	This data is currently available for only two investees of the Bamboo Financial Inclusion Fund II.	No specific quantitative targets have been set related to this PAI for the next reference period.
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	24%	25,9%		No specific quantitative targets have been set related to this PAI for the next reference period.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	0%	The Bamboo Financial Inclusion Fund II exclusion list includes ammunition, weapons, and weapons carriers.	The Bamboo Financial Inclusion Fund II will not invest in weapons. The target for this PAI for the next

	biological weapons)					reference period is therefore 0%.
Indicators applicable to investments in sovereigns and supranationals						
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Environmental	15. GHG intensity	GHG intensity of investee countries	N/A	N/A	Not applicable	N/A
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	N/A	N/A	Not applicable	N/A

Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	Not applicable	N/A
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	Not applicable	N/A
Other indicators for principal adverse impacts on sustainability factors						
Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average: 0%						
Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms of geographic areas and/or the type of operation: 0%						

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

Across its investments, the Sub-Fund is exposed to sustainability risks in the form of environmental, social or governance (ESG) events and conditions that can have negative impacts on the assets, financial and/or earnings situation, or the reputation of the Sub-Fund. However the Sub-Fund's investments are selected for their high potential for positive impact in line with the Sub-Fund's impact framework, and the risks of negative impacts are mitigated through the Sub-Fund's ESG policy which allows the identification and prioritisation of principal adverse impact on sustainability factors. The Sub-Fund's impact and ESG management process is deployed throughout the lifetime of each investment.

First, during the pre-investment phase, the investment team check potential clients against both the Sub-Fund's impact criteria as well as the Fund's Exclusion List.

Second, during the due-diligence phase, the investment team conducts further on-site analyses on the expected impact of the company towards the SDGs targeted by the Sub-Fund.

Third, an investment memo is prepared and submitted to the Sub-Fund's investment committee, containing a description of the alignment of the company with the impact goals of the Sub-Fund, and which informs the investment committee's decision to finance the company or not.

Fourth, during the negotiation of terms for investment, the Sub-Fund team and the investee agree on selected output/outcome indicators which the investee will report on to the Sub-Fund team at a defined frequency.

Fifth, during the duration of the investment, investee companies send regular reports on the defined list of impact indicators on a defined frequency. The Sub-Fund team monitors the data collected and reviews assumptions based on new evidence. Through this monitoring process, the Sub-Fund further seeks to capture and assess information to support performance improvements. As an equity and quasi-equity investor, the Sub-Fund purports to sit on the board of its investee companies, overseeing and contributing to social performance and impact issues alongside financial matters.

Sixth, the Sub-Fund seeks to divest to trustworthy investors who will allow and enable the companies to pursue their mission and vision. The Sub-Fund also aims for an organized, simple, fair, and transparent divestment process.

The binding elements of the investment strategy must be applied by the Sub-Fund's investees at each stage of the investment process: (i) Alignment with the Sub-Fund's impact objective of accelerating the financial inclusion of low-income communities around the world by investing in companies that offer innovative financial products and services, new distribution channels for financial inclusion or new ways of accelerating financial literacy, awareness of inclusion needs and entrepreneurship ;; (ii) Compliance with the Sub-Fund's Exclusion List; (iii) Compliance with national applicable national laws on labour, environment, health, safety and social issues, as well as with the above-mentioned international principles of respect for human rights and international conventions of the International Labour Organization (ILO); (iv) Possession of all necessary environmental and social permits applicable to the activity of the company.

Engagement policies

The Sub-Fund's engagement with investees, including on sustainability-related matters, is an integral component of the Sub-Fund's investment cycle and contribution to positive development impact. Prior to investing in any company, The Sub-Fund conducts an ESG assessment of investees, during which any potential sustainability-related controversies are identified, and monitors progress through annual reporting. Incident reporting further facilitates the Sub-Fund's management of such sustainability-related incidents. In addition, the Sub-Fund requires its investees to comply with a set of ESG requirements and, where necessary, engages with investees to ensure improvement of their ESG performance. Finally, as previously mentioned, as an equity and quasi-equity investor, the Sub-Fund purports to sit on the board of its investee companies, overseeing and contributing to social and environmental performance and impact issues alongside financial matters.

References to international standards

The Fund Manager of the Sub-Fund, Bamboo Capital Partners, is a signatory to the Global Compact, the Principles for Responsible Investments (PRI) and the Operating Principles for Impact Management. The principles set by these standards are applied in the investments made by the Funds that Bamboo manages. Investees of the Sub-Fund are required to comply with the international principles of respect for human rights and international conventions of the International Labour Organization (ILO).

Historical comparison

The difference between the 2023 values and the 2022 values is mostly due to changes in revenues and ownership of the Fund in the companies. Additionally, the changes in new editions of the tool used to estimate some of the PAI data (Joint Impact Model SFDR PAI calculation tool) may explain some variation in values of proxies.

Table 2

Additional climate and other environment-related indicators

Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to investments in investee companies		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS		
Emissions	1. Emissions of inorganic pollutants	Tonnes of inorganic pollutants equivalent per million EUR invested, expressed as a weighted average
	2. Emissions of air pollutants	Tonnes of air pollutants equivalent per million EUR invested, expressed as a weighted average
	3. Emissions of ozone-depleting substances	Tonnes of ozone-depleting substances equivalent per million EUR invested, expressed as a weighted average
	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement

Energy performance	5. Breakdown of energy consumption by type of non-renewable sources of energy	Share of energy from non-renewable sources used by investee companies broken down by each non-renewable energy source
Water, waste and material emissions	6. Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies 2. Weighted average percentage of water recycled and reused by investee companies
	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy
	9. Investments in companies producing chemicals	Share of investments in investee companies the activities of which fall under Division 20.2 of Annex I to Regulation (EC) No 1893/2006

	10. Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing
	11. Investments in companies without sustainable land/agriculture practices	Share of investments in investee companies without sustainable land/agriculture practices or policies
	12. Investments in companies without sustainable oceans/seas practices	Share of investments in investee companies without sustainable oceans/seas practices or policies
	13. Non-recycled waste ratio	Tonnes of non-recycled waste generated by investee companies per million EUR invested, expressed as a weighted average
	14. Natural species and protected areas	<p>1.Share of investments in investee companies whose operations affect threatened species</p> <p>2.Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in, or adjacent to, a protected area or an area of</p>

		high biodiversity value outside protected areas
	15. Deforestation	Share of investments in companies without a policy to address deforestation
Green securities	16. Share of securities not issued under Union legislation on environmentally sustainable bonds	Share of securities in investments not issued under Union legislation on environmentally sustainable bonds
Indicators applicable to investments in sovereigns and supnationals		
Green securities	17. Share of bonds not issued under Union legislation on environmentally sustainable bonds	Share of bonds not issued under Union legislation on environmentally sustainable bonds
Indicators applicable to investments in real estate assets		
Greenhouse gas emissions	18. GHG emissions	Scope 1 GHG emissions generated by real estate assets
		Scope 2 GHG emissions generated by real estate assets
		Scope 3 GHG emissions generated by real estate assets

		Total GHG emissions generated by real estate assets
Energy consumption	19. Energy consumption intensity	Energy consumption in GWh of owned real estate assets per square meter
Waste	20. Waste production in operations	Share of real estate assets not equipped with facilities for waste sorting and not covered by a waste recovery or recycling contract
Resource consumption	21. Raw materials consumption for new construction and major renovations	Share of raw building materials (excluding recovered, recycled and biosourced) compared to the total weight of building materials used in new construction and major renovations
Biodiversity	22. Land artificialisation	Share of non-vegetated surface area (surfaces that have not been vegetated in ground, as well as on roofs, terraces and walls) compared to the total surface area of the plots of all assets

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS		
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric
Indicators applicable to investments in investee companies		
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average
	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier

		code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)
	5. Lack of grievance/complaints handling mechanism related to employee matters	Share of investments in investee companies without any grievance/complaints handling mechanism related to employee matters
	6. Insufficient whistleblower protection	Share of investments in entities without policies on the protection of whistleblowers
	7. Incidents of discrimination	<p>1. Number of incidents of discrimination reported in investee companies expressed as a weighted average</p> <p>2. Number of incidents of discrimination leading to sanctions in investee companies expressed as a weighted average</p>

	8. Excessive CEO pay ratio	Average ratio within investee companies of the annual total compensation for the highest compensated individual to the median annual total compensation for all employees (excluding the highest-compensated individual)
Human Rights	9. Lack of a human rights policy	Share of investments in entities without a human rights policy
	10. Lack of due diligence	Share of investments in entities without a due diligence process to identify, prevent, mitigate and address adverse human rights impacts
	11. Lack of processes and measures for preventing trafficking in human beings	Share of investments in investee companies without policies against trafficking in human beings
	12. Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations

		and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation
	13. Operations and suppliers at significant risk of incidents of forced or compulsory labour	Share of the investments in investee companies exposed to operations and suppliers at significant risk of incidents of forced or compulsory labour in terms in terms of geographic areas and/or the type of operation
	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis
Anti-corruption and anti-bribery	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption

	16. Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery	Share of investments in investee companies with identified insufficiencies in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery
	17. Number of convictions and amount of fines for violation of anti-corruption and anti-bribery laws	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws by investee companies
Indicators applicable to investments in sovereigns and supranationals		
Social	18. Average income inequality score	The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column
	19. Average freedom of expression score	Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator

		explained in the explanation column
Human rights	20. Average human rights performance	Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column
Governance	21. Average corruption score	Measure of the perceived level of public sector corruption using a quantitative indicator explained in the explanation column
	22. Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes
	23. Average political stability score	Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative indicator explained in the explanation column
	24. Average rule of law score	Measure of the level of corruption, lack of fundamental rights, and

		the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column
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