# OASIS Fund – REGULATION (EU) 2019/2088
# on sustainability-related disclosures in the financial services sector ("SFDR")

The Oasis Fund's objective is to finance through debt or equity (and any variations thereof) a whole range of social businesses delivering essential goods and services on a financially sustainable way to the poorest segments of the world population.

The Oasis Fund thereby aims at helping such businesses led by social entrepreneurs to grow faster and scale up rapidly in order to maximize social impact and contribute to improvement of living standards of millions of people. The Oasis Fund will seek to achieve its investment objectives by investing in impactful business models across sectors, while following a binding approach consisting of selecting companies that have the potential to generate positive impact at scale, while mitigating the risks of negative impacts through ESG integration, exclusions and engagement with investees.

In pursuing its sustainable objective, the Oasis Fund also places a priority on the effective management of potential Sustainability Risks associated with its investments to do no significantly harm to any area of environmental or social concern. The Fund seeks to integrate Sustainability Risk considerations all along the investment process. Towards that end, the Oasis Fund has implemented and maintains a specific investment process making a sustainability risk and impact assessment of each potential investment.

## Impact & ESG risk management process

Management of both positive and negative impacts of investments is at the core of the Oasis Fund. The Oasis Fund is aligned with Bamboo's theory of change and applies Bamboo's detailed guidelines on impact measurement as well as Bamboo's policy regarding ESG requirements and has a comprehensive exclusion list of harmful sectors the fund is prohibited from investing in.

**Pre-Investment:** Prior to investing in a company, the Oasis Fund checks that the potential investment is aligned with its impact thesis to improve the lives of low- to middle-income populations in developing countries. Following the screening phase, a thorough due diligence is performed on selected companies to analyse the expected impact of the company as well as potential risks. The Risk Committee analyses the risks of negative impacts. The analysis on the potential development impact of the investment (positive impact generated), is included in the investment memorandum submitted to the Investment Committee and forms part of the investment decision.

**Investment:** Upon approval of the investment, the Oasis Fund defines with the investee company the selected impact indicators to be monitored and reported on a regular basis. The Oasis Fund includes some conditions related to social and environmental matters in the investment agreement.

**Post-investment:** During the post-investment period, the Oasis Fund monitors the impact data reported by its investees at the agreed upon frequency. Additional in-depth impact analyses beyond "core" impact metrics may be carried out upon availability of resources. The Fund requests investees to report any serious incident related to ESG matters. As an equity investor, the Oasis Fund usually sits on the board of investees to oversee and enhance the impact strategy and analysis of social performance as well as contribute to financial matters.

**Divestment:** For equity investments, the Oasis Fund seeks to divest to trustworthy investors who will allow and enable the companies to pursue their missions and visions. The Oasis Fund also aims for organized, simple, fair and transparent divestment processes.

Whilst the Oasis Fund does not exclude investees that do not yet have a full environmental and social managements system, and actively engages its investees to ensure that they have minimum standards in place and are well positioned to improve their practices over time.

Each investment has its own list of impact indicators discussed and set in collaboration with the company. Some of the key indicators used by the Oasis Fund to measure the attainment of its impact objective include:

- Number of investees in the access to healthcare sector
- Number of patients served by investees
- Number of investees in the access to education sector
- Number of children attending affordable schools
- Number of student loans disbursed by investee companies
- Number of investees in the off-grid solar energy sector
- Installed clean energy capacity
- Number of people provided with access to solar energy
- Number of businesses provided with solar energy systems
- $CO_2$ emissions avoided by investee off-grid solar energy companies
- Number of people employed by investee companies
- Number of women employed by investee companies

## Integration of sustainability risks into the investment decisions of the Oasis Fund

The Oasis Fund integrates Sustainability Risks into decision-making and investee engagement throughout the investment process. The Oasis Fund embraces Bamboo's exclusion list of harmful sectors that the Oasis Fund is prohibited from investing in. During the due diligence phase, the investment team analyses the potential positive impact of the investee as well as the risks of negative impacts. The Risk Committee analyses the risks of negative impacts. Findings are included in the investment memorandum presented to the Investment Committee whose investment decision informed by the review of environmental, social and governance (ESG) factors. Where ESG-related risks cannot be mitigated to a satisfactory extent, the investment will not proceed.

Throughout its portfolio of investments, the Oasis Fund collects, analyzes and consolidates the impact metrics of portfolio companies. Upon approval of the investment, the Oasis Fund defines selected impact indicators to be monitored and reported on for each investee, aligned with the Fund's impact thesis. The Oasis Fund informs investors of any development that can affect the impact of portfolio investments. Bamboo publishes an annual impact report. Additional in-depth impact analyses may be carried out upon availability of resources.

Engagement with investees, including on ESG matters, is an integral component of the Oasis Fund's investment cycle and contribution to positive development impact.

## Assessment of the likely impacts of sustainability risks

The Oasis Fund is exposed to sustainability risks in the form of ESG events and conditions that can have negative impacts on the assets, financial and/or earnings situation, or the reputation of the Oasis Fund. The Oasis Fund is exposed to the sustainability risks that its investees are exposed to through their operations and clients. Through its investment process, the Oasis Fund may be impacted by ESG events impacting the investees and their clients. This risk is amplified by the often weaker environmental and social laws and enforcement thereof in the developing countries in which the Oasis Fund operates.

Given the Oasis Fund's portfolio composition, investees targeted may trigger the risk of negative impact on the environment and society in the form of water pollution, carbon emissions, release of hazardous substances, unproper electronic waste management, threats to local biodiversity, local in areas subject to extreme weather events, child labor, forced labor, exploitative working conditions, hazards to health and safety, impacts to local communities, lacks in client information and/or protection, client unsatisfaction and complaints, social and environmental risks in the supply chain, corruption, money laundering and/or link to armed groups. If not adequately managed, these impacts may negatively affect the investees' reputation, regulatory compliance and financial viability. Given the Oasis Fund's strategic impact focus, such impacts can in turn negatively affect the Fund's credit risk profile, reputation and/or its financial and/or earnings situation.

However, these sustainability risks are mitigated by the Oasis Fund's investment strategy to generate positive impact by focusing on social enterprises that are creating a positive social impact for low to middle-income populations, as well as the Fund's exclusion list, investment strategy targeting companies with low to medium ESG risk, and diversified portfolio. The Oasis Fund applies an exclusion list prohibiting activities that involve significant negative impact on the environment or society (ex: child labor, forced labor). The Oasis Fund refrains from financing activities with a high level of ESG risk, based on assessment during due diligence. In addition, the Fund is requiring its investees to comply with a set of ESG requirements and, where necessary, engages with investees to ensure improvement of their ESG performance. Mandatory incident reporting further facilitates the Fund's ESG risk management. Finally, the Oasis Fund's engagement with investees, including on ESG matters, is an integral component of the Oasis Fund's investment cycle and contribution to positive development impact.