

CLIMATE FUND MANAGERS
Fund Manager to the Climate Investor One Funds



Project Disclosure



Who is our prospective client?

Climate Investor One ("CI1") is considering an investment opportunity in a portfolio of rooftop solar projects in India (the "Projects"), which are being developed by Cleantech Solar Asia Pte Ltd ("Cleantech" or "the Company"). Cleantech Solar is a renewable energy developer that finances, constructs, owns and operates solar projects. Headquartered in Singapore, Cleantech operates across India and Southeast Asia, and has an on-the-ground project team in India. The investment from CI1 will be an equity investment to selected Cleantech solar rooftop projects in India.

What is the funding objective?

CI1's investment will be used to finance the construction of the Projects which will support the governments' ambition of reducing reliance on fossil fuels through promoting efficient exploitation of renewable energy sources and increasing their proportion in energy production and consumption. The Projects will reduce the carbon footprint of commercial and industrial customers operating in CI1's target country.

Why do we want to fund this project?

The solar panels will be installed on the rooftops of existing commercial and industrial (C&I) buildings. The Projects will generate renewable energy from solar power for use by C&I offtakers, which can improve grid stability for other users, including communities. The Projects will contribute to generation of an estimated 828 gigawatts per year (GW/year) of renewable power supplied directly to the offtakers (across the entire Cleantech Solar portfolio in India and Southeast Asia), and will reduce the amount of power drawn from the grid. This generation will result in annual avoided greenhouse gas emissions of 659,475 tonnes of equivalent carbon dioxide each year (tCO₂ eq year). The Project will contribute to India working towards the United Nations Sustainable Development Goals (UN SDGs). Key contributions will be the provision of renewable energy capacity and creation of employment opportunities, particularly during the construction stage, but also for skilled workers in the solar sector.

Environmental and social rationale

The E&S risk of the transaction has been classified as category B (in accordance with CI1's risk categorisation), which is equivalent to International Finance Corporation (IFC) Category B. E&S impacts are limited and effective mitigation measures in line with international standards are available. No significant adverse risks have been identified. E&S risks associated with the rooftop solar installations on existing C&I buildings are minimal, site-specific, and readily managed/mitigated. The main E&S impacts and risks relate to health, safety and labour in the solar construction sector, particularly when contracting labour through third parties, and also exposure to reputational and health and safety risks of client facilities for the rooftop solar projects. Key environmental aspects to consider in the ongoing management of the portfolio includes human rights in the supply chain, use of water and disposal of waste, including end-of-life solar panels. Cleantech has an environmental and social management system (ESMS). An environmental and social management plan (ESMP) will be implemented to manage potential E&S risks.