



## Project Summary Information

Date of Document Preparation: 21 May 2021

<b>Project Name</b>	Keppel-Pierfront Private Credit Fund L.P.
<b>Document Code</b>	PD000422-PSI-SGP
<b>Country</b>	Multi-Country
<b>Sector/Subsector</b>	Infrastructure / renewable energy, transport and offshore & marine, digital infrastructure, environmental infrastructure and social infrastructure
<b>Status of Financing</b>	Under preparation
<b>Project Description</b>	Keppel-Pierfront Private Credit Fund L.P. (the Fund) is a private credit fund which will invest in a diverse range of projects and companies in the infrastructure sector in Asia Pacific. The target size of the Fund is USD600 million. AIIB is proposing to participate as a Limited Partner investor in the Fund (the project).
<b>Objective</b>	The objective of the project is to promote infrastructure private credit as an emerging asset class in Asia. The participation of the Bank in the Fund is expected to mobilize private capital to address the financing constraints of mid-cap companies in infrastructure sector in Asia Pacific.
<b>Expected Results</b>	The expected results would measure amount of private capital mobilized, percent of the fund investments in green infrastructure, technology enabled infrastructure and cross-border connectivity. The results framework will also include sector specific results indicators as and when the Fund undertakes investments in those sectors.
<b>Environmental and Social Category</b>	F1
<b>Environmental and Social Information</b>	<p>AIIB's Environmental and Social Policy (ESP) is applicable to the project. The project has been placed in Category F1, because the financing structure involves the provision of funds through a financial intermediary (the Fund). AIIB delegates to the Fund Manager the decision-making on the use of AIIB's funds for investments in subprojects that meet the conditions in the project's environmental and social (E&amp;S) documentation which defines the eligibility criteria and investment guidelines. The Fund will implement an Environmental, Social and Governance Policy (ESGP) to guide all its financing.</p> <p>The Fund Manager's ESGP includes screening, categorizing, ESG risk rating and appraisal, contracting and monitoring of investments supported by AIIB in accordance with the ESP, the Environmental and Social Exclusion List, regulatory requirements in the jurisdictions of operation and, where applicable, the AIIB Environmental and Social Standards (ESSs).</p>

A member of the Fund Manager's management team will be responsible for the oversight of the ESGP, supported by an investment professional and, to the extent required in the E&S documentation, external specialized E&S resources for conducting E&S due diligence on all investment opportunities. The Fund Manager's staff who are responsible for the oversight of ESGP will undergo training in its implementation.

The Fund Manager will apply eligibility criteria for selection of investments to avoid high risk projects which may have, (i) significant adverse impacts to community health and safety as a result of construction/operation of the assets, (ii) significant number of serious injuries and/or fatal accidents during construction and/or operation of the assets, (iii) involuntary resettlement of people and (iv) impacts on critical habitat, Indigenous Peoples and cultural resources. These sensitive activities are either to be avoided or managed in accordance with AIIB's ESP, including applicable ESSs. The Fund shall not invest in coal-related activities.

The current portfolio of seed assets and new investments closed by the Fund prior to the adoption of the updated ESGP has been retrospectively reviewed in accordance with the updated ESGP, to determine the assets' acceptability and material gaps with the applicable E&S requirements of AIIB. Out of the six current assets, AIIB may consider investing in four retrospectively, which have been determined to present a medium risk profile (corresponding to E&S category B with a high ESG exposure for the Fund) and one presenting a high-risk profile (corresponding to E&S category A with medium ESG exposure). The overall risk rating of these assets has determined that all transactions were compatible with the recommendation to proceed in accordance with the updated ESGP. The retrospective review indicated that the Fund's loan to a controlling shareholder in a large renewable energy company with a net installed capacity of 6.2 GW of solar, wind and small & medium scale hydropower projects, and a robust pipeline of all three types of generation, required high level of caution on E&S matters, to which the Fund committed.

For all future investments supported by AIIB, the Fund will require the establishment of a fit for purpose ESGP at subproject-level in accordance with the ESP and, where applicable, the ESSs. The sub-projects level ESGP shall include appropriate processes for conducting adequate E&S assessment and timely disclosure of E&S information on new or expanded activities. These will include stakeholder engagement activities, and establishment of subproject-level Grievance Redress Mechanisms (GRMs) to address concerns and grievances from both project workers and project-affected people. The Fund Manager will monitor these aspects as part of its subproject monitoring process.

	<p>The Fund Manager will be required to periodically disclose the names, locations and sectors of subprojects that are being supported by AIIB's financing, subject to regulatory constraints and market sensitivities. Any grievances received by the Fund through the GRM available on <a href="https://www.pierfront.sg/sustainability">https://www.pierfront.sg/sustainability</a> will be managed by the ESG officer in accordance with the Clifford Capital Group external grievance mechanism, working together with the relevant Fund Manager representatives to address views of affected people, enquiries or concerns regarding its own ESG processes and outcomes as well as E&amp;S impacts and performance of AIIB-supported subprojects.</p> <p>AIIB will validate the finalized ESGP and conduct a prior E&amp;S review of the initial subprojects to be financed using AIIB funds. Subsequently, AIIB will conduct prior review of subprojects presenting significant ESG risk level where the Fund has medium or low leverage on ESG matters as per the ESGP, including all Category A subprojects, and will receive an annual ESG monitoring report on the ESG performance of all AIIB-supported investments. AIIB will conduct regular monitoring of the Fund's activities, including visits to selected subprojects where possible.</p>	
<b>AIIB Commitment</b>	AIIB total commitment to the Fund comprises of, (i) a commitment of up to USD100 million and (ii) a co-investment sleeve of up to USD50 million for co-investment opportunities alongside the Fund.	
<b>Fund Manager</b>	Pierfront Capital Fund Management Pte. Ltd.	
<b>Estimated Date of First Disbursement</b>	Q3 2021	
<b>Contact Points</b>	<b>AIIB</b>	<b>Pierfront Capital Fund Management Pte. Ltd.</b>
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<b>Date of Concept Decision</b>	December 08, 2020	
<b>Date of Final Review Decision</b>	May 19, 2021	
<b>Estimated Date of Financing Approval</b>	June 2021	

<b>Independent Accountability Mechanism</b>	The Project-affected People's Mechanism (PPM) has been established by AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level or subproject level GRM or AIIB Management's processes. For information on the PPM, please visit <a href="https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html">https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</a> .
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