

FINDEV CANADA TRANSACTION SUMMARY

Indonesia Infrastructure Finance (IIF)

This document provides an overview of the FinDev Canada transaction, including a summary of the anticipated development impacts and of the environmental, social and governance (ESG) assessment performed, potential risks identified, and related mitigation measures to be implemented.



Transaction description

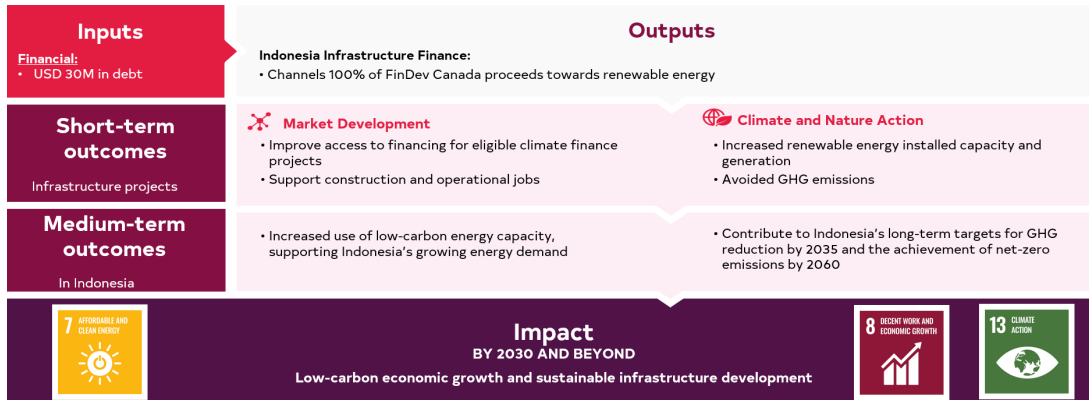
Indonesia Infrastructure Finance (IIF) is a Non-Bank Financial Institution (NBFI) that provides financing and advisory services for commercially viable infrastructure projects across Indonesia. Established in 2010 by the Government of Indonesia (via the Ministry of Finance), the World Bank (WB), Asian Development Bank (ADB), the International Finance Corporation (IFC) and other multilateral institutions.

Transaction details

COUNTERPARTY	Indonesia Infrastructure Finance
DOMICILE OF INCORPORATION	Indonesia
COUNTRY(IES) OF OPERATIONS	Jakarta, Indonesia
TERM OF FINANCING	To finance new 'Eligible Green Projects', as defined under IIF's Sustainable Financing Framework, within an 18-month period.
SECTOR	Financial industry
E&S CATEGORY	FI-1
FINANCING PRODUCT	Debt
2X CANADA TRANSACTION AMOUNT	N/A
FINDEV CANADA TRANSACTION AMOUNT	USD 30M
DATE OF TRANSACTION DISCLOSURE	02/01/2026
DATE OF TRANSACTION SIGNING	11/02/2026
DATE OF TRANSACTION SUMMARY PUBLICATION	12/05/2026
2X CHALLENGE QUALIFYING	N/A

Summary of anticipated development impacts

The development impact value proposition of this transaction is to contribute to low-carbon economic growth and sustainable development in Indonesia by improving access to financing for renewable energy projects. The impact theory of change below summarizes how the transaction will contribute to FinDev Canada's development impact goals as well as the Sustainable Development Goals (SDGs).



MARKET DEVELOPMENT

- **Improve access to financing for sustainable infrastructure projects:** Through its financing and advisory services, IIF supports infrastructure projects across key sectors of the economy, including renewable energy. This transaction is expected to enhance IIF's capacity to finance new projects, thereby supporting the development of reliable and sustainable energy.
- **Support job creation:** IIF is expected to support project implementation across the infrastructure lifecycle, including construction, operation, and maintenance, contributing to job creation and broader economic activity in Indonesia.



CLIMATE AND NATURE ACTION

- **Support Indonesia's transition to low-carbon energy systems:** Indonesia's power sector remains heavily reliant on fossil fuels, highlighting the importance of scaling renewable energy solutions. By supporting IIF, this transaction is expected to contribute to the expansion of renewable energy generation in Indonesia, supporting the country's long-term climate and energy targets.
- **Avoid greenhouse gas emissions:** Through increased financing for renewable energy projects, IIF is expected to support the deployment of cleaner energy sources and contribute to avoiding greenhouse gas emissions.

Summary of Environmental and Social assessment and related risk mitigation measures

The review was conducted in accordance with FinDev Canada's Environmental and Social (E&S) Risk policy. The transaction is classified as Category FI-1 given the nature and scale of its on-lending portfolio and the projected pipeline of Eligible Green Projects, which may include exposure to Category-A activities with potentially significant adverse environmental and social impacts. Some of these projects could result in diverse, irreversible, or unprecedented impacts, requiring robust mitigation measures. FinDev Canada's funds will be designated toward climate-finance-eligible projects.

FinDev Canada's E&S due diligence was completed in October 2025 and included track-record checks, direct engagement with the IIF's representatives as well as the E&S personnel, and a review of relevant environmental and social documentation. No recent material adverse media was identified. High-risk transactions reviewed through Social and Environmental Due Diligence (SEDD) reports further demonstrate IIF's capacity to manage complex impacts, including large-scale resettlement, support to affected persons, and the implementation of corrective actions and livelihood restoration plans, all of which were executed effectively with shareholder oversight.

These risks are mitigated through an Environmental and Social Management System (ESMS) fully aligned with the IFC Performance Standards and supported by structured safeguards, including mandatory SEDD for all new transactions, the use of independent E&S consultants and joint site visits with other MDB shareholders for high-risk deals, regular monitoring of Environmental and Social Action Plan (ESAP) implementation, annual sustainability reporting, incident tracking, and monthly media sweeps.

The assessment applied IFC Performance Standards 1 and 2, the IFC Interpretation Note on Financial Intermediaries, and applicable Indonesian environmental and social requirements. The primary risks associated with IIF's on-lending operations include potential for significant E&S impacts related to resettlement, labour and working conditions, community health and safety, biodiversity loss, and cultural heritage disturbance.

For further information on IIF's ESMS and E&S reports, visit—[S&E Management System](#).