

## **TAMARIS Green Capital Portfolio:**

Increasing broadbased capital assets of financial, natural, environmental, social and human capital for enduring green investment

### **1. Portfolio pathway for broadbased green investment**

Tamaris underpins its renewable power generation with operational commitments to building its environment, social and governance (ESG) capital base as reflected in its corporate values, planning, action and oversight at the operational site level. This consists of integrating a broadbased capital portfolio of capital assets of financial, natural, environmental, social and human capital for enduring green investment. Thus, as an industry already heavily invested in renewable energy for profit, resulting in wider global benefits that reduce carbon emissions,

Tamaris recognizes that it is sustained not just by the application of ESG safeguards but also the usefulness of ESG assets, for example, local environmental, human, social and knowledge capital. Tamaris therefore considers incorporation of ESG not simply as corporate social responsibility but especially as essential to good business. ESG safeguards and capital assets thereby sustain Tamaris growth, together contributing to a portfolio pathway for further investment in consolidation and expansion across the Indonesian archipelago.

### **2. Why not yet a portfolio achievement rather a pathway towards one?**

While Tamaris is on a firm pathway to incorporation of ESG safeguards and assets, it recognizes that a few but significant additional actions need to be taken before claiming a complete ESG portfolio. These few additional actions have already been embarked upon.

Fortunately, ESG processes are already a major part of standard operating procedures, although not always explicitly stated. Furthermore, Tamaris understands that statements of commitment to ESG are insufficient unless they be readily scrutinized by third parties through the provision of clear and documented processes that are evidently used as a basis for operations. Finally, no portfolio pathway can be said to have been achieved before responding to feedback from potential green investment institutions.

### **3. Genuine green investments**

In this age of fluid international, national and sub-national finances, Tamaris is most interested in investments that come from genuinely green sources. By the same token, Tamaris recognizes that genuine green finance institutions want to be assured they are investing in enterprises that are truly green. Hence Tamaris' present interest in those financial institutions that have adopted the Equator Principles (EqP).

Tamaris like EqP Financial Institutions (EPFI) is also determined to ensure that there be no “greenwashing” nor perceptions of “greenwashing”, only genuine green investments. It is heartening for renewable energy companies like Tamaris that globally in recent years there has been a surge in genuine green investment institutions and the capital available to them.

#### **4. Closing the few identified gaps to comply with international finance standards for ESG**

An internal review of the 10 Equator Principles, has revealed that Tamaris meets all of the principles to varying degrees, in some case 100%. The degree to which all 10 EqP are being met and how to close any gaps have been identified. That said, there is the need to ensure that there be EqP awareness at every level not just by senior management and therefore Tamaris has prepared a bilingual version of the 10 EqP. The relationship between the EqP and SoPs, ISO 9000 and 14000 certifications, regulatory requirements are all being tracked in a dynamic database. A Charter for EqP adoption at the site level focused on social and environmental consideration is being integrated with Tamaris’ established Corporate Values that focus on overall good governance. Adjustments to existing SoP to ensure free, prior and informed consent (FPIC) for customary and local communities before site development and a satisfactory Grievance Mechanism as understood in Equator Principles #5, and #6, respectively, are being formulated. Individual sites have been categorized (A, B, C) according to EqP and environmental and social impact assessments for each are under way to determine proper systems and action plans.

Although these systems steps are in progress, Tamaris as a run-of-river hydro company remains confident that any ESG / EqP gaps can be acceptable closed in the near future.

#### **5. National and corporate invitations to green investors** ~ informal engagement for information feedback before formal investment negotiations

Renewable energy companies like Tamaris are favored by recent changes in government policies. Indonesian government commitments to renewable energy feature in the five-year national development plan (RPJMN 2020-24). The Ministry for Marine Affairs & Investment has declared that coal mining will be retired. True, the economic slowdown from the impacts of the Covid-19 pandemic has resulted in a reduction in energy demand but that is likely to be temporary. Warnings against quick fixes that might undermine longer term renewable energy investments and result in the risk of “moral hazard” (Article 3, Government Regulation 23/2020) during economic recovery. Deregulation to invite investment and job creation is being promoted through Law 11/2020. Meanwhile, both high-level policies emphasize the importance of maintaining environmental and social safeguards. In sum, prospects for renewable energy are promising despite present reliance on conventional power generation.

Tamaris will soon be ready for a review of the steps being taken to comply with international standards for ESG, notably, EqP.

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