



Luxembourg, 15.09.2022

Environmental and Social Data Sheet

Overview

Project Name:	AndEra Smart Infra I SLP
Project Number:	2022-0492
Country:	Regional-EU countries
EIA required:	Equity fund targeting Energy, Sustainable Transport and Digitalisation. Depending on the technical characteristics of the investments financed by the Fund, sub-projects may be subject to an EIA.
Project included in Carbon Footprint Exercise ¹ :	No

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Key Environmental and Social Risks and Impacts

The Operation concerns the participation of the EIF in AndEra Smart Infra I Fund. The Fund will seek to pursue investments primarily in greenfield and expansion sustainable infrastructure projects / operators / developers across Europe, predominantly in the renewable energy, transport and opportunistically in digital sectors. In terms of geographical coverage, the Fund's investments will be located in EU countries only (mainly France, Spain, Italy, Portugal and Benelux).

This operation will contribute to the EU-wide 2030 target of 32% final energy consumption coming from renewable energy (RE) sources as laid out in RE Directive 2018/2001. It also contributes to security of energy supply, environment, and climate change mitigation. The operation is aligned with the EIBG's objectives on Environmental Sustainability and Climate Action. The investments will generate environmental benefits in terms of reduction of pollutants and greenhouse gas emissions.

Some of the Fund's underlying investments may fall under Annex I or II of EIA (environmental impact assessment) Directive 2014/52/EU amending EIA Directive 2011/92/EU. In these cases, the Bank requires the Fund Manager to ensure that investee companies act according to the provisions of the aforementioned Directive as transposed into national law. Should the relevant competent authority screen in an investment project, the Fund Manager should ensure that the EIA documents are published on the website of the promoter or of the Fund. The Fund Manager will be required to verify that none of the schemes has a significant adverse impact on any site of nature conservation importance and will be required to obtain and provide the EIBG with written confirmation to this effect from the competent authority, or an equivalent confirmation satisfactory to the EIBG.

Considering the type of projects to be funded, the investments are not likely to have a significant negative environmental impact. Conversely, a majority of the investments are expected to have positive environmental impact through the realisation of renewable energy projects, improved performance of

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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digital infrastructure assets and the incorporation of new technologies that improve energy efficiency and reduce emissions in the mobility sector (e.g. alternative fuel charging infrastructure).

During its due diligence process, the Fund will conduct an in-depth analysis on each investment opportunity, including its environmental and social risks and impacts.

The Fund has developed good expertise and appropriate procedures to ensure E&S due diligence as part of its investment process. The fund plans to become an Article 9 fund under the Sustainable Finance Disclosure Regulation (SFDR) by the end of June 2022. The fund has developed an Environmental and Social Management System that complies with the SFDR and EU Taxonomy regulations. In addition, the existing procedures will be complemented with EIBG requirements, including initiating public reporting in line with the TCFD requirements, and thus in line with the Path requirements.

As part of its Environmental and Social Governance, the Fund Manager will designate an environmental responsible person, who will manage all of the environmental and social activities and aspects, as well as maintaining and operating an appropriate environmental and social management system (ESMS). The Fund is currently updating its Responsible Investment Policy. It is expected that the ESMS will define, among other things, the policies and procedures that will apply to the investments, and the organisational arrangements that will ensure their effective implementation, including monitoring and reporting, external communication mechanism, and the implementation of a grievance mechanism. With these procedures and the correct implementation of the ESMS, it is expected that the Fund will be able to comply with the Significant Contributions Taxonomy criteria in the targeted sectors. The Fund will incorporate the EIB's environmental, climate and social requirements into its legal documentation to the satisfaction of the EIB, and will enhance its ESMS to incorporate the EIB's environmental and social requirements, including the development of a communication mechanism for external stakeholders as part of its Grievance Redress Mechanism applicable to the entire Fund portfolio.

The Fund already has an ESG policy and staff in charge of the deployment of the FM's ESG strategy (including climate-related policies/procedures), which provides inputs from investment decisions to impact reporting in the monitoring phase. The Fund Manager will develop and maintain its organisational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities.

The legal documentation to be concluded between the Fund and the EIF will include an obligation on the Fund to ensure that all projects are in compliance with national and European legislation (where applicable), as well as the EIB's E&S standards.

Social Assessment

There are no material issues identified at this stage in relation to social aspects in the expected pipeline. However, the ESMS will duly define the policies and procedures related to social aspects that will apply to the investments.

In particular, the EIB will ensure that the fund manager's social requirements include social assessment and development of a management plan for mitigation and remediation of social impacts (as applicable), compliance with national laws and the principles and standards of ILO conventions², in particular prohibition of child or bonded labour, non-discrimination and equal opportunity of employment, occupational health and safety, as well as EIB Standard 8 – Labour.

With regard to gender and diversity issues, Andera has signed the France Invest Gender Charter, which aims to promote gender equality among French private equity players and the companies they support.

² International Labour Organisation



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Once the criteria are defined, the Fund Manager will report progress on implementation to the EIBG on an annual basis.

Public Consultation and Stakeholder Engagement

Where required, the Fund Manager shall ensure that a consultation process with relevant stakeholders takes place and that an appropriate grievance mechanism is in place, including the development of a communication mechanism with external stakeholders as part of its Grievance Redress Mechanism, for the underlying investments. The Fund Manager will ensure that a grievance mechanism at fund level is also in place.

Conclusions and Recommendations

The Fund will incorporate the EIB's environmental and social requirements into its legal documentation to the satisfaction of the EIB, and will enhance its ESMS to incorporate the EIB's environmental and social requirements, including the development of a communication mechanism for external stakeholders as part of its Grievance Redress Mechanism applicable to the entire Fund portfolio.

To complement its ESMS, the Fund Manager will also be required to:

- Designate a responsible E&S staff member with overall responsibility for the implementation of the ESMS, supporting the portfolio team on a day-to-day basis and ensuring continued alignment with investors regarding E&S requirements at project level;
- Establish and implement a procedure for external communication allowing for receiving and registering communication from the public regarding environmental, climate and social issues, including making available ESIA studies;
- The Fund will integrate the EIB E&S standards into its existing E&S procedures and shall not invest in companies which operate in areas of activities excluded from EIB activity, nor in companies which do not comply with EIB E&S standards;
- Fulfil the relevant requirements and recommendations of the EIB Guidelines on Hydropower Development and EIB's requirements for sustainable biomass sourcing;
- The Fund Manager will ensure regular (not less than annual) reporting to the EIB on the implementation of its ESMS, including its ESMS procedures as well as the E&S performance of its sub-projects. The Fund Manager will also ensure immediate reporting to the EIB of any serious incidents, such as fatalities or breaches of law, in any of its activities or sub-projects.
- Should changes in the Fund's business supported by the EIB result in E&S risks that differ from those identified at the time of EIB's investment, the Fund is required to immediately notify the EIB and will be required to adjust its ESMS in a manner consistent with the E&S risk profile resulting from the new business activities.

With these requirements in place, the operation is acceptable for EIB financing in environmental and social terms.