



Luxembourg, 09/10/2023

Environmental and Social Data Sheet

Overview

Project Name: *Capenergie 5*
 Project Number: *2023-0363*
 Country: *EU*
 Project Description: *Mainly greenfield targeting wind, solar & battery storage*

EIA required: yes

Project included in Carbon Footprint Exercise¹: no
 (details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The operation concerns the participation of EIF in Capenergie 5 Fund. The Fund will seek to pursue investments in energy project and energy developers, covering mainly renewable energy (onshore wind and solar PV) and energy storage. The Fund will invest in all EU 27 member states and EFTA, and underlying investee companies can also invest at project level in EFTA countries plus OECD (UK, US, Australia).

The Fund is a dedicated impact fund, already categorised as Article 9 under SFDR and aims to obtain the French GreenFin label. The Fund manager has developed an ESMS in line with EIBG expectations. A Fund's partner has ultimate responsibility for the ESMS, and for its adequate implementation by the investment team throughout the investment cycle. The Fund targets a Taxonomy alignment between 80 to 100%. The Fund has developed a pre-investment and a post-investment checklist to assess the alignment of the Fund with the taxonomy, including Principle Adverse Impact (PAI). The investment proposals are also rated on physical and transition climate risks. After investment there is a continuous dialogue with the investee companies to deliver sustainable outputs, identify potential issues and improve reporting.

A significant portion of the investments will generate environmental benefits in terms of reduction of air pollutants and GHG emissions, ultimately helping to mitigate climate change. The investments targeted by the operation are expected to have limited social and environmental impacts, provided that all mitigation measures are implemented.

Most of the Fund's underlying infrastructure investments in the EU will fall under Annex I or II of EIA Directive 2011/92/EU, requiring a full Environmental Impact Assessment including public consultation or screening by the national competent authority on the basis of Annex III of the same Directive to determine the need for a full EIA. If an underlying investment is subject to an EIA, the fund manager will be required to publish it on its website or provide a website link to the location where the EIA is published. The fund manager will ensure the project incorporates all mitigating measures recommended as a result of the EIA.

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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The fund manager will be required to verify that none of the schemes have a significant negative impact on any site of nature conservation importance, including sites protected under the "Habitats" and "Birds" Directives (92/43/EEC and 2009/147/EC respectively) and the associated Natura 2000 network, Water Framework Directive (2000/60/EC), national legislation and international agreements. If in the reasonable view of the fund manager an investment has the potential to significantly affect sites of nature conservation importance, it shall ensure that an appropriate assessment is carried out for the potentially affected sites, and obtain written confirmation from the competent authority as defined in the relevant EU Directives, or an equivalent assessment satisfactory to the EIF, that the investment does not have a significant negative impact on any protected site. If an underlying investment is subject to an EIA or biodiversity assessment, the fund manager will be required to publish the Environmental and Social Impact Study (or a link) on its website for access by stakeholders.

EIB Paris Alignment for Counterparties (PATH) Framework

The fund manager has more than 500 MEUR of assets under management. As such, the Fund manager is in scope of and screened in the PATH framework. Hence, EIF will require the Fund manager to report – at the latest 12 months after signature – in line with the TCFD recommendations, including in particular information in relation to transition and physical climate risk.

Other Environmental and Social Aspects

The fund manager is a member of the United Nations Principles of Responsible Investment ("UN PRI").

Social Assessment

The Fund will be required to undertake reasonable efforts to mitigate risks of forced labour in the supply chain. This will include, on a best effort basis, enhanced due diligence and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub projects.

Public Consultation and Stakeholder Engagement

Where required by EU Member States laws and regulations, the 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 Manager will ensure that a grievance mechanism at Fund level is also in place.

Conclusions and Recommendations

During appraisal, it has been verified that the fund manager has fully understood the EIBG E&S requirements and will be willing and capable to fully implement them. The fund manager has set up an Environmental and Social Management System (ESMS) to implement these requirements, and has designated an ESG responsible and a dedicated team, who will oversee all the environmental and social activities aspects.

The Fund will undertake to publicly report in line with the TCFD recommendations, within 12 months of the Fund closing.

In view of the above findings and conditions, the operation is deemed satisfactory from an environmental and social compliance perspective.