



Luxembourg, 13.06.2022

Public

Environmental and Social Data Sheet¹

Overview

Project Name:	CEP 2
Project Number:	2022-0145
Country:	Regional - EU countries
Project Description:	Fund investing in building energy efficiency, distributed renewable electricity and heat generation, low-carbon mobility, and social and digital infrastructure, with a European scope and focus in France.

EIA required: no

Invest EU sustainability proofing required no

Project included in Carbon Footprint Exercise²: no

Environmental and Social Assessment

Environmental Assessment

The operation will support energy efficiency (EE) in buildings, investments in building-integrated renewable energy, urban low-carbon mobility, and social and digital infrastructure. The Fund will have a European geographic scope, with a significant focus in France. The Fund will also invest in non-residential EE projects, such as renovation and construction of new commercial or office buildings.

The investments will generate environmental benefits and given the relative scale, location and nature of the investments in built-up urban areas, the investments are not expected to have any significant negative environmental impact. Exceptionally, a fund investment may fall under Annex II of the EIA Directive 2011/92/EU. In these cases, the national competent authority would determine the need for an EIA, based on Annex III of the same Directive.

The EIF will require the Fund manager to 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 will be required to ensure that the EIA studies have been made publicly available as part of the EIA process.

¹ The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary

² 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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Climate Assessment

- **Climate change mitigation:** The investments in energy efficient buildings (new or refurbished), and those in clean mobility will contribute to mitigate climate change.
- **Climate Neutrality:** The Fund has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals and against the policies set out in the Climate Bank Roadmap. The Fund will ensure Paris Alignment of all its investments, as part of the Side Letter with the EIF.

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 within the scope of, and screened into, the PATH framework. Hence, the 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 signatory of UN PRI³ since 2009, and is part of other responsible investment initiatives such as Climat International or France Invest. In addition, the current operation intends to be classified as an Article 9 SFDR fund.

During appraisal, it has been verified that the Fund manager has fully understood the EIF 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 environmental responsible, who will oversee all the environmental and social activities aspects.

The ESMS includes processes to ensure adequate identification, assessment, mitigation and monitoring of environmental, climate and social (ECS) risks. In particular, the Fund manager uses a scoring system to assess environmental, social and governance capabilities of its investee companies.

However, key parts of the ESMS are still incomplete or not in line with EIF requirements, notably in regard to roles and responsibilities of ECS officers, adequate environmental and social reporting, and compliance with EU Taxonomy DNSH⁴ and MSS⁵. EIF will require to the Fund manager to reinforce its ESMS on these points.

Conclusions and Recommendations

In order to strengthen the coordination and accountability aspects the Fund will undertake to:

1. Reinforce and improve its ESMS tools, in particular with regard to roles and responsibilities of ECS officers, adequate environmental and social reporting, and compliance with EU Taxonomy sustainability proofing, prior to signature;
2. Report in line with the TCFD⁶ recommendations and GRESB⁷ infrastructure benchmark, 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.

³ United Nations Principles for Responsible Investment

⁴ Do No Significant Harm

⁵ Minimum Social Standards

⁶ Task Force on Climate-Related Financial Disclosures

⁷ Global ESG Benchmark for Real assets