



Luxembourg, 11 July 2022

Environmental and Social Data Sheet

Overview

Project Name:	<i>Clean Energy Infrastructure Fund</i>
Project Number:	<i>2021-0208</i>
Country:	<i>Regional - EU countries</i>
Project Description:	<i>Construction and operation of solar PV and onshore wind electricity generating assets across Central and Eastern Europe</i>

EIA required: yes

Invest EU sustainability proofing required: no

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 the EIB Group (EIBG) in the fund Modus AM. The fund will seek to pursue investments in the renewable energy sector. In terms of geographical coverage, the Fund will have a mandate to invest primarily in Poland and Baltic countries (70%) and the remaining part (30%) in secondary markets as Bulgaria, Czech Republic, Hungary, Romania, Slovakia and Slovenia.

The proposed fund will invest only in renewable energy projects and related energy storage systems for electricity produced from renewable energy sources. These investments are in principle aligned with the EU Taxonomy, if they meet its technical screening criteria. According to the ESMS, the fund's risk and compliance officers will perform internal control functions, including verifying that the fund investments comply with the Taxonomy criteria. Hence, additional capacity is needed to implement the ESMS. The fund manager is planning to hire an ESG officer by first close. This officer will be responsible for the ESMS, its adequate dissemination to and application by the investment team throughout the investment cycle, under the support and supervision of one of the Investment Committee (IC) members. The ESG officer will additionally focus on improving the ESMS performance and implementation, from the initial screening stage to the investment and asset management stages, as well as perform climate risk assessments to be compliant with EIBG requirements.

In line with the EIBG Path Framework requirements and the TCFD² recommendations, the fund manager will be contractually required to disclose, within 12 months of the fund closing, if its assets under management exceed EUR 500m after closing.

All fund investments will generate environmental benefits and are expected to have limited negative social or environmental impacts. Depending on the technical characteristics of the investments

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.

² [Task Force on Climate-Related Financial Disclosures | TCFD](https://www.fsb-tcfd.org/) ([fsb-tcfd.org](https://www.fsb-tcfd.org/))



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financed by the Fund, sub-projects may be subject to an EIA. The fund's underlying renewable energy investments in the EU will fall under Annex I or II of EIA Directive 2011/92/EU, requiring either 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 for access by stakeholders. The fund manager will confirm that the project incorporates all mitigating measures recommended as a result of the EIA.

The fund manager will be required to verify that none of the schemes has 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, 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.

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. The Fund is not allowed to invest in activities marked as 'Not Supported' in the EIB Climate Bank Roadmap 2021-2025.

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 EIBG 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 conventions³, 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.

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

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 a responsible person who will oversee all the aspects pertaining to environmental and social activities.

³ International Labour Organisation



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

1. By first close, reinforce the team with a dedicated E&S expert – who will bear the overall responsibility of the ESMS; and
2. Report in line with the TCFD recommendations within 12 months of the Fund closing.
3. 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 ESIA studies available.

The Fund Manager will be required to provide regular updates on the Environmental and Social performance of its investments and include appropriate E&S conditions in its finance contracts.

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