



Luxembourg, 13.07.2023

## Environmental and Social Data Sheet<sup>1</sup>

### Overview

Project Name:	EQUITA GREEN IMPACT FUND	
Project Number:	2022-0730	
Country:	<i>Regional - EU countries</i>	
Project Description:	Investment Fund targeting renewable energy projects primarily located in Italy, as well as the Baltics and Nordics and Southern Europe countries (Greece and Spain)	
EIA required:	yes (potentially for some investments)	
Invest EU sustainability proofing required:	Yes	
Project included in Carbon Footprint Exercise <sup>2</sup> :	No	

### Environmental and Social Assessment

#### Environmental Assessment

The operation concerns the participation of the EIF in EQUITA GREEN IMPACT FUND (the Fund). The Fund will invest in small to medium-sized solar PV, onshore wind and biogas projects. All investments will take place within the EU (100%) with a primary focus on Italy (target 70%), and the remainder of investments in the Baltics and Nordics and Southern Europe countries (Greece and Spain).

The Manager is working towards putting in place an Environmental and Social Management System (ESMS) in line with the EIBG environmental and social requirements. According to the information available, the investment team will perform all E&S due diligence tasks, including verifying that the Fund investments comply with the EU Taxonomy criteria, as well as perform climate risk assessments. The Fund will put in place a training plan to ensure that the investment team has the required E&S skills, and that the team is up-to-date with the latest Environmental, Social and Governance (ESG) policy and implementation requirements. The Fund Manager will make use of dedicated appropriately skilled and independent E&S consultants to confirm compliance of the ESMS with the EIB E&S Requirements. Taking into account the small size and specialisation of the Fund and the contractual conditions (see below), the Fund's ESG governance is considered acceptable.

All Fund investments are expected to have limited negative environmental and social impacts. Depending on the technical characteristics of the investments financed by the Fund, projects may be subject to an Environmental Impact Assessment (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

<sup>1</sup> The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to the 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.

<sup>2</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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EIA, the Manager will be required to publish the related EIS on its website or provide a website link to the location where the EIS is published for access by stakeholders. The Manager will ensure that the project incorporates all mitigating measures in line with the obligations included in the EIA process.

The 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 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 and relevant IEU sustainability proofing requirements. The Fund is not allowed to invest in activities marked as 'Not Supported' in the EIB Climate Bank Roadmap 2021-2025.

#### **EIB Paris Alignment for Counterparties (PATH) Framework:**

The Manager is in scope of the PATH Framework, and it is screened in as it has assets under management in excess of 500 MEUR. Given that the Manager will be contractually committed to reporting in line with TCFD recommendations 12 months after the first drawdown, it meets the requirements of the EIBG PATH framework.

#### **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.

Furthermore, the ESMS will also include a Human Rights Policy and a Code of Ethics, rejecting the use of any form of forced or compulsory labour, applicable inter alia to the supply chain of the underlined solar PV projects, in compliance with the applicable provisions of the relevant EIBG E&S standards (including Standard 8 – Labour), the national laws and the principles and standards of ILO conventions (in particular prohibition of child or bonded labour, non-discrimination and equal opportunity of employment, occupational health and safety).

The Fund will be required to undertake reasonable efforts to assess and address the risks of forced labour in the supply chain. This will include, on a reasonable effort basis, enhanced due diligence, commensurate with the capacity and leverage of the developers regarding labour issues in the supply chain (supply chain mapping and/or declarations from the supplier, per project) ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub projects.

#### **Public Consultation and Stakeholder Engagement**

As 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 the Grievance Redress Mechanism for the underlying investments. The Manager will ensure that a grievance mechanism at Fund level is also in place. Both mechanisms are currently included in the ESMS.



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## Conclusions and Recommendations

The capacity of the Manager to manage and monitor environmental and social related aspects of the operation is deemed adequate.

The Fund will be required to fulfil the following contractual conditions:

- Prior to EIF investment, the Manager will incorporate the EIB's environmental and social requirements into its legal documentation to the satisfaction of the EIF, and will enhance its ESMS in regards to developing a communication mechanism for external stakeholders as part of its Grievance Redress Mechanism applicable to the entire Fund portfolio, ESIA disclosure, climate vulnerability assessment, forced labour mitigation and supply chain due diligence.
- Nominate an ESG officer and a deputy ESG officer for asset management 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. Both officers will have the necessary experience to take responsibility of the ESMS, its adequate application by the investment team throughout the investment cycle, under the support and supervision of one of the partners.

With these conditions in place, the Fund is acceptable for EIF financing in environmental, climate and social terms.