

Environmental and Social Data Sheet

Overview

Project Name:	PIONEER INFRASTRUCTURE PARTNERS
Project Number:	2020-0552
Country:	Regional – Europe / EFTA
Project Description:	Equity fund investing in infrastructure assets in Europe
EIA required:	Multiple projects schemes, some may require an EIA
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

Pioneer Infrastructure Partners (the “Fund”) is a generalist infrastructure fund with a focus on climate and environment, specifically in the following sectors: circular economy, renewable energy and energy efficiency assets across EFTA and European countries. Based on an indicative pipeline, investments will cover renewable energy (wind, solar, bio-methane), district heating and building energy efficiency, water treatment and other sectors such as IT infrastructure (data centres) or Mobility (charging stations).

This operation would contribute to the EU-wide 2030 target of 32% final energy consumption coming from renewable energy (RE) sources as laid out in the new RE Directive 2018/2001. It further contributes to the security of energy supply, environment, and climate change mitigation. The operation is aligned with the Bank’s COP objective on Environmental Sustainability and Climate Action objectives. The investments will generate environmental benefits in terms of recycling, and reduction of pollutants and greenhouse gas emissions. It will contribute to the Bank’s objectives to support the circular economy transition and develop a more sustainable bio-economy.

Considering the types of projects to be funded, the investments are not likely to have significant negative environmental effects. 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 Non-Technical Summary (NTS) and EIA documents, are published on the web. The legal documentation to be concluded between the Fund Manager and the Bank shall include an obligation on the Fund to ensure that all projects are in compliance with national and EU legislation, as well as the Bank’s Environmental and Social standards (where applicable). In addition, the Fund

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Luxembourg, 28.04.2021

Manager will be required to ensure compliance of the investments with the EIB Excluded and Restricted Lists of activities.

While deploying the Fund, the Manager will conduct, as part of the due diligence process, an in-depth analysis on each investment opportunity, including its environmental and social risks and impacts. The Fund's environmental monitoring aims at controlling environmental risks, reducing the environmental footprint, and defining solutions with high environmental added-value.

The Fund Manager has set a Sustainability Investment Framework. The Fund Manager will ensure that its respective Environment and Social Management System (ESMS) will be in line with EIB principles and requirements, which will define, amongst others, the policies and procedures that will apply to the investments, as well as the organisational arrangements that will ensure their effective implementation, including monitoring and reporting, external communication mechanism, and the implementation of a grievance mechanism at portfolio level.

In addition, the Fund Manager will maintain organisational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities.

The legal documentation to be concluded between the Fund Manager and the Bank shall include an obligation on the Fund to ensure that all projects are in compliance with national and EU legislation, as well as the Bank's Environmental and Social standards (where applicable) and the Bank Energy Lending Policy. The Fund will also have to assess climate risks in its analysis. In addition, the Fund Manager will be required to ensure compliance of the investments with the EIB Excluded and Restricted Lists of activities.

Climate Mitigation

According to the existing pipeline, around 80% of the Fund's investments are expected to contribute to climate action mitigation, and around 7% to Environmental Sustainability. The Fund will contribute to the development of renewable energy and circular economy projects, reducing CO₂ emissions and increasing the participation of RE in the energy mix.

Social Assessment

There are no material issues identified 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.

The Fund seeks to be involved in operations that sustainably foster business growth and economic development, thereby helping to stimulate long-term employment.

Public Consultation and Stakeholder Engagement

Where legally required, the Fund Manager will ensure that consultation process with stakeholders takes place and that an appropriate grievance mechanism is available to all its employees and contractors, for the underlying investments. The Fund Manager will also set up a grievance mechanism at fund level.

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Conclusions and Recommendations

The Bank's environmental and social requirements have been shared with the Fund Manager and, during appraisal, it has been verified that the Fund Manager is willing and capable to fully implement them at fund level but also at portfolio company level.

In addition to the requirements already mentioned, the following loan conditions will be included in the legal documentation:

- The Fund shall ensure that all projects comply with national and European legislation and EIB core E&S requirements.
- The Fund Manager will develop and maintain organisational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities.
- The Fund Manager shall ensure regular 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 shall 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.
- The Fund shall not invest in companies that do not comply with EIB environmental and social standards.
- For investments subject to an EIA the Fund Manager shall ensure that an Environmental Impact Study (EIS) is carried out and that public consultation is undertaken in accordance with national legislation and the EIA Directive; it shall also ensure that the investment incorporates relevant mitigating measures recommended as a result of the EIA.
- Where relevant, the Fund Manager shall obtain, and deliver to the Bank, written confirmation from the competent authority that the investment will not have any significant negative impact on sites of nature conservation importance, including sites protected under the "Habitats" and "Birds" Directives (92/43/EEC and 79/409/EEC as amended by the 2009/147/EC, respectively), and the associated Natura 2000 network.
- The Fund Manager shall deliver to the Bank a copy of the Non-Technical Summary (NTS) and the EIA, or provide a link to the website where the EIA is published.
- For investments using biomass, the Fund Manager shall ensure that the projects exclusively use sustainable biomass complying with the respective EU Directives and forest Regulations, and excluding biomass coming from irrigated plantations or from areas with natural forest conversion and logging of primary moist and tropical forests.

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