



Luxembourg, 28.03.2023

Environmental and Social Data Sheet¹

Overview

Project Name:	TAALERI SOLARWIND III
Project Number:	2022-0676
Country:	<i>EU Member States, neighbouring (Balkans) and OECD countries</i>
Project Description:	Investment Fund targeting renewable energy projects (Wind and Solar assets) primarily located in the EU.
EIA required:	yes (potentially for some investments)
Invest EU sustainability proofing required:	Yes
Project included in Carbon Footprint Exercise ² :	No

Environmental and Social Assessment

Environmental Assessment

The operation concerns the participation of the EIF in the Taaleri Solarwind III Fund (the Fund). The Fund will invest in small greenfield onshore wind and solar photovoltaic projects, potentially with co-located battery storage. A significant majority of the Fund's investments (at least 60%) will be located in EU countries, mainly Central and Eastern Europe, the Baltics and Nordics, with a limited portion of investments dedicated to EU accession and neighbouring countries (e.g. Balkans), as well as up to 20% in selected non-EU OECD countries (mainly United States).

The Manager has put in place an Environmental and Social Management System (ESMS) that is in line with the EIBG environmental and social requirements, as set out in EIB Environmental and Social (E&S) Standard 11³. According to the ESMS currently in place, the investment team performs a fully-fledged E&S due diligence for each investment, including verifying compliance with the EU Taxonomy criteria and producing an E&S red flag report. The Fund has a training plan in place 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 ESMS includes the publication for each investment of the Environmental Impact Studies (EISs), the Stakeholder Engagement Plan (SEP), and the Grievance Redress Mechanism (GRM).

The Manager has nominated an ESG officer, and a deputy ESG officer that sit on the Investment Committee. Both officers have the necessary experience to take responsibility for ESG related decisions concerning ESMS development and implementation, and its adequate dissemination. The investment team will be supported and supervised by one of the two ESG officers, throughout the investment cycle.

¹ 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.

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.

³ Cf. [EIB Environmental and Social Standards](#)



Luxembourg, 28.03.2023

The EIF has reviewed the environmental and social due diligence documentation for a project undertaken by the Fund outside of the EU. It was undertaken by an independent professional firm, and was found to be suitable in its content and findings.

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 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 reports in line with TCFD recommendations since 2022, it meets the requirements of the EIBG PATH framework.

Social Assessment

The Fund operates in regions where indigenous or vulnerable people may potentially be present. The Manager will undertake to update its ESMS prior to EIF involvement, to include a Free, Prior and Informed Consent (FPIC) methodology in line with EIBG environmental and social requirements.

Furthermore, the ESMS will 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.



Luxembourg, 28.03.2023

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.

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, update the ESMS, in particular its FPIC methodology, ESIA disclosure, climate vulnerability assessment, forced labour mitigation and supply chain due diligence – to the EIF's satisfaction.

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