



Luxembourg, 21.02.2022

Environmental and Social Data Sheet

Overview

Project Name: *MARGUERITE III*
 Project Number: *2022-0039*
 Country: *Regional - EU countries*
 Project Description: Equity fund targeting Energy, Sustainable Transport, Waste/Water and ICT assets

EIA required: yes

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 EIF in the Marguerite III Fund. Marguerite III will seek to pursue investments in the transport, energy, renewable energy, energy efficiency, ICT/ broadband and the waste and water treatment sectors. In terms of geographical coverage, the Fund will have a mandate to invest in all EU 27 member states, with the possibility of investing up to 40% in EFTA countries.

The fund manager developed its Environmental and Social Management System (ESMS) in 2017, and immediately afterwards appointed as Head of ESG one of its partners, who is the ultimate responsible for the ESMS, and for its adequate dissemination to and application by the investment team throughout the investment cycle. Three members of the investment team support the Head of ESG, focusing on improving the ESMS performance and implementation, from the initial screening stage to the investment and asset management stages. In addition, they raise awareness of any potential issues and ensure that proper monitoring and reporting are in place.

The ESMS was updated in 2020, to reflect evolving best market practice, applicable regulations in the area of sustainability, and quantifiable E&S impact indicators.

The fund manager intends to file the Fund as Article 8 (ESG Product) under the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation or SFDR).

Furthermore, in 2018 the fund manager became a member of United Nations Principles of Responsible Investment ("UN PRI") and publically reports to UN PRI since 2020. However, the fund manager does not report in line with the GRESB² infrastructure benchmark.

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 [GRESB | Global ESG Benchmark for Real Assets](#)



Luxembourg, 21.02.2022

In line with the EIBG Path Framework requirements, the fund manager will be contractually required to disclose in line with the TCFD³ recommendations within 12 months of the Fund closing.

A significant portion of the investments will generate environmental benefits and all Fund investments are expected to have limited negative social or environmental impacts.

Most of the Fund's underlying infrastructure investments in the EU will fall under Annex I or II of EIA Directive 2011/92/EU, requiring 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. 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 have 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, Water Framework Directive (2000/60/EC), 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. If an underlying investment is subject to an E(S)IA or biodiversity assessment, the fund manager will be required to publish the Environmental and Social Impact Study (or a link) on its website for access by stakeholders.

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.

Conclusions and Recommendations

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.

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

1. Reinforce and improve its ESMS tools, in particular to ensure adequate sustainability proofing and compliance with the EU Taxonomy 'Do no significant harm' and 'minimum social safeguards' requirements, prior to signature;
2. Report in line with the TCFD recommendations and GRESB 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 [Task Force on Climate-Related Financial Disclosures | TCFD](https://www.fsb-tcfd.org/) (fsb-tcfd.org)