

Luxembourg, 14.12.2023

Environmental and Social Data Sheet¹

Overview

Project Name: *GLENNMONT CLEAN ENERGY FUND IV*
 Project Number: *2023-0468*
 Country: *Regional - EU countries*
 Project Description: *Equity fund targeting renewable energy projects in Europe, N. America & Asia*

EIA required: Some investments may require an EIA

Invest EU sustainability proofing required no

Project included in Carbon Footprint Exercise²: no

(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

Environmental and Social Assessment

The operation concerns the EIF’s participation in the Glenmont Clean Energy Fund IV. The operation intends to bring about environmental benefits by supporting renewable energy projects (mainly solar PV, onshore and offshore wind, bioenergy and co-located storage, as well as potentially small-hydro) with limited negative social or environmental impacts. The Fund will invest around 70% of its commitments in the EU and EFTA, the remainder being invested in the UK, North America, Australia, South Korea and potentially Singapore.

Environmental Assessment

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

The majority of the Fund’s investments (e.g. utility scale renewable energy projects) 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 the Environmental and Social Impact Study (or a link) on its website or provide a website link to the location where the EIS is published for access by stakeholders.

The Fund Manager will be required to follow the E&S aspects of its investments as part of which it will confirm that the project incorporates all mitigating measures recommended as a result of the EIA.

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



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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, 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.

Climate Assessment

The Fund's investments will contribute to mitigating climate change. The Fund has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals and against the policies set out in the Climate Bank Roadmap. In accordance with the EIBG requirements³, the Fund will ensure Paris Alignment of all its investments, as part of the legal documentation.

Social Assessment

The Fund Manager's social requirements include assessment of social impacts, compliance with national laws and the principles and standards of ILO conventions⁴, in particular prohibition of child or forced and compulsory labour, labour standards, freedom of association and diversity and occupational health and safety. As part of its policies and procedures the Fund Manager has a code of conduct which it enforces on its suppliers, and is already aware of the forced labour issue in the solar PV industry and addresses it in its ESG risk assessment checklist. The ESMS that will be developed by the Fund Manager 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 underlying solar PV projects, in compliance with the applicable provisions of the relevant EIBG E&S standards (including Standard 8 – Labour). 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.

For its investments outside of the EU, the Fund Manager will also assess the projects in which it invests for compliance with the EIB Environmental and Social Standards (EIB ESS).

Public Consultation and Stakeholder Engagement

Where required by EU or national laws and regulations, or by EIB ESS, the Fund Manager will be required to 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 be required to ensure that a grievance mechanism at Fund level is also in place and included in the Fund ESMS.

Other Environmental and Social Aspects

The Fund Manager is part of NUVEEN, with a strong team of environmental, social and climate officers, and a mature set of environmental and social investment policies and procedures developed over time. The E&S procedures are incorporated into the overall Quality Management system of NUVEEN, which also applies to the Fund.

³ EIB Group Climate Bank Roadmap 2021-2025

⁴ International Labour Organisation



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The quality system, which includes a set of ESG procedures and policies, is considered adequate for the sectors and geographies in which the Fund is investing. The Fund Manager seeks to improve its systems and processes and therefore has undertaken to create a separate Environmental Social Management system (ESMS) by putting all existing ESG procedures in one integrated system. The ESMS will also be enhanced to ensure compliance with the EIBG requirements, notably to include the excluded activities list, transparency requirements, PV supply chain due diligence and grievance mechanism.

The Fund's CEO will have ultimate responsibility for the ESMS, and for its adequate dissemination to and application by the investment team throughout the investment cycle.

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 EIBG's E&S standards and relevant IEU sustainability proofing requirements.

The Fund intends to be classified as an Article 9 compliant Fund under the Sustainable Finance Disclosure Regulation (SFDR).

EIB Paris Alignment for Counterparties (PATH) Framework

NUVEEN, the parent company of the Fund, has more than 500 MEUR of assets under management. The Fund Manager is therefore in scope of and screened into the PATH framework. NUVEEN already reports in line with the TCFD recommendations. Hence, all the conditions related to PATH are already fulfilled.

Conclusions and Recommendations

During appraisal, it has been verified that the Fund Manager has relevant capacity and expertise, has understood the EIBG E&S requirements and will be willing and capable to implement them. Although the Fund Manager has adequate ESG procedures integrated in the overall quality management system for this Fund, it will nonetheless set up a stand-alone ESMS based on the existing adequate procedures, as part of its continuous commitment to improve its systems and procedures, which will also incorporate the EIB's environmental and social requirements. The Fund Manager has designated an environmental responsible, who oversees all the environmental and social activities aspects.

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

- Incorporate the EIB's environmental and social requirements into its legal documentation to the satisfaction of the EIB, and enhance its ESMS to incorporate the EIB's environmental and social requirements, including the development of a communication mechanism for external stakeholders as part of its Grievance Redress Mechanism applicable to the entire Fund portfolio.
- Publish on the Fund's website ESG related policy documents.
- Include and implement meaningful stakeholder engagement and indigenous peoples assessment (where applicable) in the due diligence processes.
- 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 available ESIA studies.
- The Fund will be required to undertake reasonable efforts to mitigate risks of forced labour in the supply chain. This will include, on reasonable effort basis, enhanced due diligence and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub projects.

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