Luxembourg, 1st June 2021

Public

Environmental and Social Data Sheet

Overview

Project Name:	ATLANTICA VENTURE CAPITAL FUND BOOST AFRICA JUNI
Project Number:	2021-0241
Country:	Regional - Africa
Project Description:	The proposed operation consists of an equity participation of up to EUR 10.0m in junior tranche in Atlantica Venture Capital Fund, a USD 50m target venture capital fund focusing on SMEs with a high growth potential (start-ups) and active in the digital and technology sectors in Sub-Saharan Africa
EIA required:	no
Project included in Carbon Footprint Exercise[1]:	no

Environmental and Social Assessment

The proposed operation consists of an equity participation of up to EUR 10.0m in junior tranche in Atlantica Venture Capital Fund, a USD 50m target venture capital fund focusing on SMEs with a high growth potential (start-ups) and active in the digital and technology sectors in Sub-Saharan Africa

The Fund targets total commitments of USD 50m, with a first closing expected by end-2020. The ambition of Atlantica is to build, grow and invest in revenue generating tech companies with proven business models and inclusive social impact. To achieve those goals, the Fund will have an active role supporting its investees by providing business support and digital platforms to SMEs. The Fund will seek to engage through hands on support and active investing.

The Fund will be managed by Atlantica Ventures (the “Fund Manager”), a venture capital firm formed to scale socially responsible start-ups in Sub-Saharan Africa. The Fund Manager is wholly owned by its founders and will manage the day-to-day operations of the Fund, including all investment and portfolio management activities. The Fund is expected to incorporate in the Netherlands. With its offices in Lagos and Nairobi, the Atlantica team will participate in supporting the region’s ecosystems of entrepreneurs. The Fund aims to drive economic growth, job creation, especially for young Africans, and provide access to

[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.

affordable goods and services, by financing and advising digital companies along six key verticals - FinTech, agricultural technologies (AgTech), logistics, internet of things (IoT), e-commerce and cybersecurity.

The proposed investment is expected to contribute to alleviating the current high unemployment rate in the region, by creating and sustaining jobs for the young. It supports the Sustainable Development Agenda in a number of interlinked ways: investing in growing businesses that will create jobs while providing goods and services for underserved local communities in Sub-Saharan Africa, SDG 8 (promoting economic growth) and SDG 9 (promoting innovation).

The Promoter expects to complete 35 investments in Sub-Saharan Africa with a typical investment size of EUR 250 000 to 5 m (seed to Series B) in revenue generating companies within a 5 years investment period. The Fund Manager will ask for a board seat at each investee company.

The Fund has an ESG policy requiring investees, among others, to periodically monitor and report on a set of Environmental, Social and Governance (ESG) compliance metrics, with a particular focus on corporate governance processes (completion of board membership, adequate decision processes, use of board committees etc.), on social development impact strictly related to business performance (e.g. inclusion impact in low income segment business models, HR practices, job creation progress) and on any environmental impact related to investments conducted by the Fund.

Prior to signature, the ESG policy will be further checked and fine-tuned to fully comply with the Bank's requirements. A policy as negotiated and agreed upon between AV and the Bank will be a condition for disbursement.

EIB will receive quarterly updates on the projects in the development, implementation and operation phase as well as more detailed annual portfolio reports. The fund manager undertakes to make available any additional information concerning the investee companies and assure that relevant documentation is kept. He shall also report on any claim or equivalent communication from any Authority concerning any investee company.

The Bank will ensure through its finance contract that the projects financed from the Fund are in eligible areas/sectors for the Bank, do not lead to competitive distortions, and that Bank's requirements on procurement, environment and social matters will be respected.

Conclusions and Recommendations

If located in Europe, the project would not trigger the European Environmental Impact Assessment Directive because the activities do not fall under Annexes I or II of the EU Directive 2011/92/EC as amended, and would therefore not be subject to mandatory Environmental Impact Assessments.

The proposed investments concern activities that are not covered by EIA. On the contrary, some of the RDI projects are addressing specific environmental issues. The RDI results will help for example to allow for a more efficient and reduced use of energy and a better integration of alternative energy sources into the current power distribution network.

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The Bank will ensure through its finance contract that the projects financed from the Fund are in eligible areas/sectors for the Bank, do not lead to competitive distortions, and that Bank's requirements on procurement, environment and social matters will be respected. More specifically, the validation of the Promoter's Environmental, Social and Governance Policy by the Bank's Environment, Climate and Social Office is a condition for the finance contract signature.

Therefore, the project has been classified as acceptable in environmental and social terms for the Bank's financing.