



Luxembourg, 17/11/2022

Environmental and Social Data Sheet

Overview

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| Project Name: | <i>INVEN CAPITAL II</i> | |
| Project Number: | 20220528 | |
| Country: | Regional – EU countries | |
| Project Description: | <i>Co-investment facility with Inven Capital to support innovative cleantech companies.</i> | |
| EIA required: | | no |
| Project included in Carbon Footprint Exercise: | | no |

Environmental and Social Assessment

Environmental Assessment

The proposed transaction consists of a co-investment platform between the EIB and Inven Capital, a captive venture capital fund focused on clean-tech. The investment theme will broadly follow the clean-tech agenda and include for instance marketplaces for renewable energy, smart monitoring, smart logistics, digital solutions for recycling and waste management, Industry 4.0 and agri-tech.

The operation aims at strengthening the capital base of early-stage cleantech companies and will thus contribute to supporting the innovation, competitiveness and growth opportunities in this sector. Hence, the operation will contribute to reducing externalities relating to CO₂ emissions and support the transition to sustainable energy in Europe. The EIB would channel indirect equity investments to eligible SMEs and MidCaps by way of this arrangement along Inven and enable to close the market gap for investments in the European cleantech sector.

At this stage it is not possible to assess what type of investments the investee companies will be carrying out exactly as they remain to be identified, although it is likely that growth and expansion opportunities will be pursued through investments in innovative production capacity, working capital expansion, improved products and processes, including for manufacturing, logistics and distribution, service and IT systems, all in the area of cleantech.

The operation will be based on a full delegation model relying on the Partner, which will be responsible for carrying out the due diligence on the underlying portfolio companies and ensuring their compliance with relevant EU and national E&S laws.

The main E&S risks and impacts of this investment relate to Inven Capital having adequate systems and capacity in place to assess and ensure that the underlying operations at the investee companies are in accordance with applicable EU and host country laws and regulations and in compliance with EIB's List of Excluded Activities and Sectors.



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Climate Assessment

Some of the expected investments will be aligned with the EIB's Climate Action and Environmental Sustainability objectives if specific technical criteria are fulfilled. They will contribute to EU policy objectives with regard to combating climate change and supporting sustainable development. These investments will tackle the market failure, which results from the fact that negative externalities of CO₂ emissions are not adequately factored in the prices of goods and services. As a result, there is little incentive for private sector players to develop and adopt clean tech solutions.

Conclusions and Recommendations

For the purpose of this transaction, Inven Capital will be required to transpose the EIB eligibility, environmental and social requirements into its investment assessment process. With these conditions in place, the operation is acceptable for financing in environmental and social terms.