



Luxembourg, 5 September 2023

## Environmental and Social Data Sheet

### Overview

Project Name:	SEEDSTARS AFRICA VENTURES 1 BOOST AFRICA
Project Number:	2023-0334
Country:	Regional - Africa
Project Description:	Equity participation of up to USD 20m in junior tranche in Seedstars Africa Ventures 1, a generalist venture capital fund focusing on investments in start-ups and high-growth companies predominately in Sub-Saharan Africa.
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

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

### Environmental and Social Assessment

The proposed operation consists of an equity participation of up to USD 20 m in Seedstars Africa Ventures 1, a closed-ended venture capital fund in Sub-Saharan Africa, particularly West and East Africa, focusing on investments in highly scalable tech and tech-enabled start-ups as well as innovative, high-growth companies with a strong use of digitalisation.

The Fund's investment objective is to achieve superior returns by making venture capital equity and equity-related in early-mid stage companies in Sub-Saharan Africa, focusing on innovative and high-growth companies.

Environment, Social and Governance (ESG) and impact considerations are taken into account at different stages of the investment process. Seedstars Africa Ventures will assist Portfolio Companies in designing and deploying a realistic ESG and impact action plan. In compliance with the ESG policies of LBO France, the sponsor and Alternative Investment Fund Manager, the Investment Team will identify areas of improvement and value-add in matters of ESG, help entrepreneurs monitor the most relevant Key Performance Indicators (KPIs) and adapt the action plan as and when required during the life of the investment on the basis of KPIs.

As such, depending upon the profile of the target company invested in by the Fund and its needs, a 100-day ESG and impact plan is outlined in collaboration with the management before signing the deal. The Fund's ESG and impact process is built on an internal dashboard that is established during the internal and external due diligence processes. This dashboard allows the target company's management and the Fund team to track ESG and impact objectives before and after investment.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20 000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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During the investment process, the Investment Team elaborates a dashboard for the target company, with bespoke KPIs, including ESG and impact. Post-investment, the company provides quarterly KPIs as well as an annual reporting through this dashboard. The dashboard is compared to initial performance objectives and business plans in order to anticipate any rising issues.

If located within the EU, these activities would not fall under Annexes I and II of the EU Directive 2014/52/EU amending the EIA Directive 2011/92/EU. Moreover, the activities will be carried out in existing facilities already authorised that will not change their scope due to the project and are therefore not expected to have a significant environmental impact on the surroundings. On the contrary, some of the RDI projects are addressing specific environmental issues and include sub-projects that directly helps decreasing GHG emissions so the project is expected to generate a positive climate and environmental impact. The RDI results will help for example to allow for a more efficient and reduced use of energy, a better integration of alternative energy sources or reduce paper usage and travels, positively affecting circular economy and resource efficiency as well.

The fund's investment strategy is fully aligned with the Paris Agreement on climate change according to the Bank's definition (Annex 2 Table H of EIB's climate bank roadmap - CBR).

Seedstars is expected to finance projects which are positive or at least neutral in terms of social issues, meaning that are not expected to generate gender issues, respect the rights of minorities and vulnerable groups, prevent child/forced labour issues by adopting adequate labour standards.

## **Conclusions and Recommendations**

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.

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