



Luxembourg, 06.06.2025

## Environmental and Social Completion Sheet (ESCS)

### Overview

Project Name:	DENHAM INTERNATIONAL POWER FUND
Project Number:	2017-0404
Country:	REGIONAL AFRICA, LATIN AMERICA, ASIA
Project Description:	Equity participation in a Fund investing in power generation assets using renewable energy and natural gas

### Summary of Environmental and Social Assessment at Completion

**EIB notes the following Environmental and Social performance and key outcomes at Project Completion.**

The operation consisted in an equity investment into the Denham International Power Fund ("the Fund"), a multi-regional Infrastructure Fund which targeted greenfield primarily renewable energy and gas projects. The Fund Manager has invested in five portfolio companies (or investment platforms) with dedicated, specialised management teams executing investments in the targeted regions. The Fund has invested in Latin America, South-East Asia and sub-Saharan Africa, specifically in Brazil, Vietnam, the Philippines, Ivory Coast, and Madagascar.

Sector-wise, the Fund invested 74% in renewables and 26% in gas-fired projects (combined cycle gas turbine - CCGT). Of the renewable energy projects, 36% were hydropower, 32% wind, and 6% solar. The installed capacity of these projects was 926 MW for renewables and 1,750 MW for CCGT, producing an estimated 2,276 GWh and 1,051 GWh of annual energy on average, respectively.

Denham Capital Management, the Fund Manager, has an Environmental Social and Governance (ESG) policy at Fund level, requiring all its Investment Platforms to adopt this policy at a minimum. Furthermore, it has established an Environmental and Social Management System (ESMS) enhanced in line with the EIB requirements. The ESMS is managed by the Fund's Head of Sustainability, who is responsible for E&S aspects of the Fund and its underlying investments, as well as for coordination with the E&S experts of the Investment Platforms.

The Fund's environmental and social (E&S) due diligence process consisted of initial screening including screening against the List of Excluded Activities; in-depth review against the policy requirements, including the EIB E&S Standards; and final review to follow up on any outstanding items. All investments underwent an Environmental Social Impact Assessment (ESIA) following internal standards and national requirements.

The Fund Manager provided regular annual E&S performance reports, as well as ad-hoc E&S reports, incident and accident reports as needed. For the hydropower projects, the Fund Manager adhered to the requirements outlined in the EIB guidelines for hydropower development. In accordance with the EIB requirements, the Fund Manager submitted the ESIA and other E&S-related information for three high-risk investments, which the Bank found satisfactory. For all other investments, the Fund Manager shared information on E&S due diligence at the time of making these investments.



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Furthermore, the Fund Manager established an E&S subcommittee and organised regular meetings three times a year to discuss the E&S aspects of potential and existing portfolio investments. The Fund Manager presented the investments and reported E&S issues, and the Limited Partners (LPs) had the opportunity to opine on them. Although the role of the E&S subcommittee was not decision-making, it was nonetheless crucial for the overall performance of the Fund because it helped the Fund Manager in its commercial decisions taking into consideration the E&S requirements of the LPs including the Bank's E&S standards and requirements.

The organisational setup of the Fund, along with the existence of systems and policies in place, enabled the Fund Manager together with the platform teams to manage and mitigate the E&S risks of the underlying investments in a satisfactory manner and to ensure compliance with the EIB Excluded and Restricted Lists of activities, the EIB E&S Standards and core E&S requirements as well as the E&S national laws and regulations.

**Summary opinion of Environmental and Social aspects at completion:**

The EIB is of the opinion, based on reports from the promoter, that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.