

Environmental and Social Data Sheet¹

Overview

Project Name:	ENERGY EFFICIENCY CO-INVESTMENT PROGRAMME
Project Number:	2024-0595
Country:	Regional - EU countries
Project Description:	Co-investment programme dedicated to financing energy efficiency projects for SMEs in the EU.

Environmental and Social Categorisation:	Low risk
Invest EU sustainability proofing required:	No
Project included in Carbon Footprint Exercise ² :	No

Environmental and Social Assessment

Environmental Assessment

The operation foresees the build-up of a portfolio of co-investments in EU member states, which will be based on a delegation model relying on climate and infrastructure funds where the EIB or EIF are investors or have an existing track record with the fund managers. The ultimate beneficiaries (i.e. projects or portfolio companies in which the EIB will co-invest alongside the commercial funds) will be active in promoting tailored energy efficiency and broader climate resilience and decarbonisation solutions, such as through Energy Savings Companies (ESCOs), that will service small and medium enterprises (SMEs), as well as other beneficiaries.

The EIB will perform appropriate due diligence on the investments and put in place mechanisms to ensure that investments are made in accordance with applicable EU and national laws putting in place together with other terms of the co-investment program including EIB Group Paris alignment conditions and EIB list of excluded activities.

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.

EIB Paris Alignment for Counterparties (PATH) Framework

The EIB will perform – as applicable – Paris alignment assessments for projects and counterparties during the appraisal of the underlying investments.

Social Assessment

There are no material issues identified at this stage in relation to social aspects in the expected pipeline. However, the Bank will assess the social aspects for each underlying investment.

In particular, the Bank will ensure that all underlying investments are in compliance with national laws and the principles and standards of ILO conventions, in particular prohibition of child or bonded labour, non-discrimination and equal opportunity of employment, occupational health and safety, as well as EIB Standard 8 – Labour. The fund managers will be required to undertake reasonable efforts to mitigate risks of forced labour in the supply chain. This will include, on a best effort basis, enhanced due diligence and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub projects.

Public Consultation and Stakeholder Engagement

Where required by EU Member States laws and regulations, the fund managers shall 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 managers will ensure that a grievance mechanism at Fund level is also in place.

Other Environmental and Social Aspects

The EIB will apply its Environmental and Social Standards and Policy and will require from fund managers to include in the contractual documentation related to each investment an obligation to comply, in all respects, with all laws and regulations to which they are subject (including without limitation laws and regulations on procurement of works, goods and services and on environmental and social matters).

All underlying investments are expected to have limited negative social or environmental impacts. Depending on the technical characteristics of the underlying investments, they may fall under Annex I or II of EIA Directive 2011/92/EU, requiring either 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 it on its website or provide a website link to the location where the EIA is published for access by stakeholders. Fund managers will ensure that the investment incorporates all mitigating measures in line with the obligations stated in the EIA.

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For each underlying investment, fund managers will verify whether it 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, national legislation and international agreements. If an investment has the potential to significantly affect sites of nature conservation importance, fund managers 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 Bank that the investment does not have a significant negative impact on any protected site.

The legal documentation to be concluded between the fund managers and the EIBG will include an obligation that the investment is in compliance with national and European legislation (where applicable), as well as the EIB's E&S standards and relevant IEU sustainability proofing requirements. None of the underlying investments will be in activities marked as 'Not Supported' in the EIB Climate Bank Roadmap 2021-2025.

Conclusions and Recommendations

The Bank will assess the environmental and social compliance of the underlying investments when appraising them, and will include adequate conditions in the legal documentation to ensure said compliance.

In view of the above, the operation is acceptable for EIB financing on ECS terms.

Based on the information available and with appropriate conditions and monitoring, the project is acceptable for EIB financing in environmental and social terms.