

Environmental and Social Data Sheet

Overview

Project Name:	MID EUROPA CEE GROWTH FUND IV
Project Number:	2013-0106
Country:	Central and Eastern Europe, the Balkans, the Baltic states and Turkey.
Project Description:	The operation entails the Bank's investment into an equity fund (the "Fund") investing in SMEs and Mid-Caps in consumer and service growth sectors, such as, but not limited to, healthcare, retail, education, transportation, logistics, energy and telecommunications, in Central and Eastern Europe, the Balkans, the Baltic states and Turkey (the "Region"). The Fund will employ a "buy and build" approach, investing in companies seeking capital and guidance to fulfil their growth potential and build scale to compete effectively. The general partner and manager of the Fund will be Mid Europa (the "Promoter").

EIA required: Possible

Although unlikely, some of the project components might require an EIA as per Directive 2011/92/EU. In such cases the promoter is obliged, through the Fund's legal documentation, to carry out an EIA in accordance with the EU applicable legislation.

Project included in Carbon Footprint Exercise¹: no

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The Promoter shall carry out an assessment of each prospective investment that environmental impacts have been duly addressed and the investments. Furthermore, the promoter needs to assess that the operations of the investee companies are acceptable in environmental and social terms (i.e. that each investment is designed so as to avoid and, if this is not possible, reduce any significant adverse impact, and any significant residual negative impact have been, in order of preference, mitigated, compensated or offset) and that each investment complies or will comply with any applicable EU Directives and the applicable national laws and regulations on environmental and social matters.

Accordingly the Bank will require the Promoter to ensure that all the investee companies, including those in which the fund holds only a minority share, comply with the environmental and social requirements of the Bank as set forth in EIB Statement on Environmental and Social Principles and Standards. The Fund's legal documentation will oblige the fund managers to ensure that the individual investee companies respect the EU environmental requirements in accordance with applicable national and EU legislation.

The Bank will monitor the promoter's compliance with the Environmental and Social provisions through periodical and ESG specific reporting requirements as set forth in the fund's legal documentation.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Environmental and Social Assessment

Environmental Assessment

Since inception, the promoter has developed and applied Environmental and Social Governance (ESG) best practices across its operations, becoming a recognised leader in promoting responsible investment across the private equity industry in the Region. The promoter's institutionalised focus on ESG considerations extends throughout the life-cycle of the company's investments, starting with its decision-making process and extending to the operations of the investee companies. Through its previous Funds, the promoter is well experienced in working with a number of IFIs, including EBRD, IFC and EIB, and the involvement of such institutions in the current operation as well provides additional safeguards with respect to the ESG provisions.

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