

Environmental and Social Data Sheet

Overview

Project Name: COPENHAGEN INFRASTRUCTURE FUND II
 Project Number: 2014-0769
 Country: Denmark
 Project Description: Infrastructure fund investing in larger renewable energy projects, with a focus on wind, biomass and offshore transmission.

EIA required: depending on specific underlying investment

(This is a multi-sector operation. Most investments are expected to require an EIA but not necessarily all of them.)

Project included
 in Carbon Footprint Exercise¹: no

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

This operation intends to bring about environmental benefits by supporting renewable energy projects (predominantly offshore wind farms and their grid connections, onshore wind farms, solid biomass power and cogeneration plants) with limited negative social or environmental impact. The Fund will invest at least 70% of the portfolio in the EU and EFTA countries and the remainder in other countries. Up to 20% of investments may be made in non-energy sectors. No investment must be made in sectors or activities that are excluded by the Bank.

The Fund's underlying investments are mostly expected to fall under Annex II of EIA Directive 2011/92/EU, leaving it to the national competent authority to determine on the basis of Annex III of such Directive whether an environmental impact assessment is required. Some underlying investments may fall under Annex I of EIA Directive 2011/92/EU requiring an environmental impact assessment. Underground/undersea cables and converter stations, in contrast, by virtue of their technical characteristics are neither listed under Annex I nor Annex II of the EIA Directive. Given the size of power links to offshore wind farms, appropriate environmental studies including public consultation would nevertheless be expected.

The Fund Management is typically appraising projects that have already completed their environmental authorisation process. Considering its geographical and sectorial focus, i.e. countries with comprehensive environmental and social legislation (incl. on health and safety) and effective authorisation procedures in place, the Fund's analysis is primarily focussed on ensuring full compliance with national law and good industry practice. Potential investments outside these priority areas benefit from the Fund's Ethical Policy, which is based on the UN Principles for Responsible Investments.

In order to ensure full compliance of the operation with the Bank's environmental and social requirements, it is proposed that the legal documentation to be concluded between the Fund and the EIB comprises additional safeguards. These include, amongst others, the following undertakings:

- *The Fund will perform environmental and social due diligence to ensure that potential impacts and risks and appropriate prevention, mitigation and compensation measures were identified through an environmental and social impact screening/assessment and, where relevant, including satisfactory and meaningful public consultation and participation.*

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.

Luxembourg, 19 May 2015

- *The Fund will be required to verify that none of the schemes have a significant adverse impact on any site of nature conservation importance, including sites protected under national legislation and international agreements. If in the reasonable view of the Fund Manager an investment has the potential to significantly affect sites of nature conservation importance, it shall ensure that an appropriate assessment is carried out for the potentially affected sites in place, and obtain written confirmation from the competent authority as defined in 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.*
- *If an underlying investment is subject to an Environmental and Social Impact Study the Fund Manager will be required to publish the Non-Technical Summary (or a link) on its website for access to stakeholders.*
- *Biomass investments must ensure the sustainable sourcing of biomass.*
- *The Fund will only invest in countries with an environmental legislation at minimum comparable to EU, USA and Canada.*

During appraisal it has been verified that the Fund manager has fully understood the Bank's E&S requirements and is willing and capable to fully implement them.

In view of the above findings and conditions, the operation is deemed satisfactory from an environmental and social compliance perspective.