



Luxembourg, 15.03.2018

Environmental and Social Data Sheet

Overview

Project Name:	FORESIGHT LOW CARBON ENERGY INFRASTRUCTURE FUND	
Project Number:	2017-0119	
Country:	Europe, North America and Australia	
Project Description:	Investment fund focusing on equity investments in energy infrastructure projects in mainly UK and other European countries.	
EIA required:		yes
Project included in Carbon Footprint Exercise ¹ :		no

Environmental and Social Assessment

The Operation concerns the participation of the EIB in the “Foresight Energy Infrastructure Partners” Fund (the “Fund”). The Fund will invest in renewable energy projects (solar PV, wind farms and bioenergy projects), distribution and transmission assets, as well as battery storage and gas-fired electricity generation projects. All of the Fund’s investments will be located in Europe (at least 80% of investments), North America and Australia (up to 20%).

The Fund Manager will be required to ensure compliance of the investments with the EIB Excluded and Restricted Lists of activities, the EIB Environmental & Social (E&S) Standards and core E&S requirements as well as the E&S national laws and regulations. The E&S Due Diligence process in principle is divided into three steps: 1) initial screening including screening against the List of Excluded Activities (and restricted list if applicable); preliminary categorisation; high-level desk review highlighting key E&S red flags associated with the proposed investment; 2) initial reviews with in-depth review against the policy requirements including the EIB E&S Standards; 3) final investment committee to follow up on any outstanding items. Each project prepares regular E&S operational reports. On an annual basis the Fund manager prepares and submits to the Bank an aggregated E&S performance report.

The mitigation of key risks and impacts derive from the Fund’s capacity to identify and manage the potential environmental and social risks and impacts associated with the projects in the pipeline and to maintain and operate an appropriate environmental and social management system.

The Fund has an overall E&S Management System (ESMS) which includes a formal Environmental Social Governance (ESG) policy, adequate environmental and social due diligence procedures and grievance redress mechanism which is applicable to its entire portfolio. Staff will have to be clearly designated to take overall responsibility for the implementation of the ESMS supporting the portfolio team on a day to day basis and ensuring continued alignment with investors regarding E&S requirements as well as ensuring, at project level, compliance with the approved ESMS.

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.



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Conclusions and Recommendations

The Fund will enhance its ESMS which will incorporate EIB's environmental and social requirements to the satisfaction of the Bank, including the development of a communication mechanism for external stakeholders as part of its Grievance Redress Mechanism.

The Fund will appoint designated staff responsible for the implementation of the ESMS as well as for undertaking the environmental and social due diligence and monitoring of the Fund's investments.

For Investments subject to an environmental impact assessment (EIA) as defined by national legislation or for Investments identified in Annex I of Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment, as amended by Directive 2014/52/EU ("EIA Directive"), the Manager shall (i) ensure that an Environmental and Social Impact Assessment (ESIA) is carried out and that public consultation is undertaken in accordance with national legislation and the EIA Directive, (ii) collect and publish the ESIA Study or – for investments within the EU – a non-technical summary (NTS) of the ESIA on the Manager's/Investee Company's website, or if otherwise agreed with EIB, send the ESIA or – for investments within the EU – the NTS to the EIB for publication in compliance with the EIB's Transparency Policy, as amended from time to time and published on EIB's website (www.eib.org), (iii) retain on file a copy of the EIAS or NTS for a period of not less than six (6) years, (iv) upon request, provide a digital copy to the EIB, and (v) upon request, confirm to the EIB that the Investment incorporates relevant mitigating measures recommended as a result of the EIA.

The Fund will, on an annual basis, prepare and submit to the Bank an aggregated E&S performance report.

With these conditions in place, the Fund is considered acceptable for the Bank in environmental and social terms