

## Environmental and Social Data Sheet

### Overview

Project Name:	NTR RENEWABLE ENERGY INCOME FUND II
Project Number:	2017-0774
Country:	EEA countries (EU Member States, Iceland, Norway, and Liechtenstein)
Project Description:	Pan-European fund targeting mainly greenfield renewable energy projects.
EIA required:	some investments may require an EIA
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

The Operation concerns the participation of the EIB in the NTR Renewable Energy Income Fund II. The operation intends to bring about environmental benefits by supporting renewable energy projects (solar PV and onshore wind farms) and energy storage projects with limited negative social or environmental impact. All of the Fund's investments will be located in EEA countries (EU Member States, Iceland, Norway, and Liechtenstein).

Most of the Fund's underlying investments will fall under Annex II of EIA Directive 2014/52/EU amending EIA Directive 2011/92/EU, leaving it in the EU to the national competent authority to determine on the basis of Annex III of the 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 and social impact assessment.

The legal documentation to be concluded between the Fund and the Bank shall include an obligation on the Fund to ensure that all projects are in 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.

The Fund Manager is typically appraising projects that have already completed their environmental authorisation process. Considering its sectorial focus and its potential target geographies the Fund's analysis is primarily focussed on ensuring full compliance with national law and good industry practice when investing in the EU and countries with comprehensive environmental and social legislation (including on health and safety) and effective authorisation procedures in place.

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

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<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

Luxembourg, 15.03.2018

management system. The Fund has already designated an environmental responsible, who will oversee all of the environmental and social activities aspects. In order to further reinforce compliance with EIB E&S Standards and core E&S requirements as well as the E&S national laws and regulations, the Fund Manager shall establish and operate social and environmental systems (ESMS), acceptable to the Bank.

To ensure that the ESMS is developed and implemented in line with the Bank's requirement, the EIB will review the ESMS document, no later than six months after first close, as well as the due diligence reports for the first five investment proposals of the fund.

## Conclusions and Recommendations

During appraisal it has been verified that the Fund Manager has fully understood the Bank's E&S requirements and it will be willing and capable to fully implement them. In order to ensure full compliance of the operation with the Bank's Environmental and Social Principles and Standards, the legal documentation to be concluded between the Fund and the EIB will comprise corresponding safeguards. The following additional undertakings will also be included:

- The fund will develop and implement an overall Environmental and Social Management System (ESMS), in line with EIB E&S Standards and core E&S requirements as well as the E&S national laws and regulations. The ESMS document will be submitted to the Bank, at the latest six months after first close, for review and comments.

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