

Environmental and Social Data Sheet

Overview

Project Name:	EIFFEL ESSENTIEL FUND
Project Number:	2019-0160
Country:	Regional-EU countries
Project Description:	Fund providing growth capital to companies in the energy transition, the food and the health sectors in Europe
EIA required:	Not applicable
Project included in Carbon Footprint Exercise ¹ :	Not applicable

(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

Environmental and Social Assessment

The operation concerns an equity participation of the EIB, amongst other investors, in the Eiffel Essentiel Fund (the “Fund”). The Fund aims to invest in small and medium-size companies to finance their capital expenditure programme in particular sub-sectors of small-scale renewable energy and energy efficiency, healthcare as well as agriculture/bioeconomy. The Fund will target primarily the French market (80%), with the flexibility to invest in other European countries (20%). Although the investee companies will be located in the EU, part of their activity, including newly developed subprojects, might be located outside of the EU.

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. It is, therefore, expected to support the mobilisation and deployment of private sector investments into innovation, sustainable development and employment generation in Europe.

In accordance with the Bank’s policy to ensure that the investments comply with the EU Directives in the field of environment, the Bank will require Eiffel Essentiel Fund to take all the requisite measures, to ensure that the environmental procedures carried out by the final beneficiaries (the investee companies) in which the fund will invest in, will comply with the relevant EU Directives and the applicable national legislation, as well as with the EIB’s environmental and social standards. This requirement will be endorsed by contractual obligation.

The main environmental and social (E&S) risks and impacts of this operation relate to Eiffel Essentiel Fund having adequate systems and capacity in place to assess and ensure that the underlying operations at the investee companies are in accordance with applicable EU E&S standards, including compliance with the EIB’s List of Excluded Activities, host country laws

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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and regulations and EIB E&S Standards. However, the Fund has a robust environmental and social governance (ESG) in place, and in line with the Bank's requirements, two persons are in charge of coordinating and facilitating the integration of the ESG in all investment processes.

Conclusions and Recommendations

For the purpose of this operation, the legal documentation to be concluded between the Fund and the EIB will comprise, amongst others, the following undertakings:

- The Fund Manager will adhere to the Bank's applicable environmental and social and requirements.
- The Fund Manager shall nominate an Environmental and Social Manager, which shall be an experienced senior officer of the Manager having management responsibility, among other things, for ensuring proper operation and maintenance of the Environmental and Social Management System.
- The Fund will integrate the EIB E&S standards into its existing E&S procedure and shall not invest in companies, which operate in areas of activities excluded from EIB activity nor in companies, which do not comply with EIB E&S standards.

With these conditions in place, the investment is deemed acceptable for financing from an environmental and social perspective.