



Luxembourg, 06/12/2023

Public

Environmental and Social Data Sheet¹

Overview

Project Name:	ICOSAGEN (I-EU VD)
Project Number:	(2021-0324)
Country:	Estonia
Project Description:	Quasi-equity financing to Icosagen AS, an Estonian biotech developing innovative solutions in the discovery, development and manufacturing of biopharmaceuticals.
EIA required:	no
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise ² :	no

Environmental and Social Assessment

Environmental Assessment

The Promoter is an Estonian biotech company, focused on the discovery, development and manufacturing of biologics.

The Promoter's investments financed through this operation concern the development of R&D technologies for biopharmaceuticals, including recombinant proteins and monoclonal antibodies, related to the expansion and upgrade of the technology portfolio for Contract Research Organization activities, development of in-house bio-therapeutics and diagnostic development programmes. Furthermore, the project will encompass the financing of capital investments required for the construction of a manufacturing facility compliant to Good Manufacturing Practice (GMP), to expand the Promoter's manufacturing capabilities of biologics from pre-clinical to clinical investigational purposes. This includes *inter alia* the construction of a production facility and supporting utilities, furnishing part of the plant with manufacturing equipment, R&D and quality control laboratories. The facility is expected to be built as an extension of the Promoter's current building, situated in Tartu county, Estonia.

The new production facility will be located in the southeastern part of the Promoter's site. The construction of the production facility falls under the Annex II of the EU EIA Directive 2011/92/EU amended by Directive 2014/52/EU, referring to the manufacture of pharmaceutical

¹ The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary

² Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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products. Under Estonian legislation, the construction of the extended manufacturing facility is subject to screening. The foreseen construction works will be carried within the Promoter's existing site. The extension is less than one third of the initial volume of the existing building and the Promoter confirmed that no EIA has been requested by the Competent Authority within this process and that a construction permit has been granted.

The Promoter maintains adequate internal procedures and management practices that are in line with best industry standards and are subjected to audits. The project will be carried out according to state-of-the-art technology and will take into consideration environmentally friendly, low energy- and resource-consuming technologies.

The Promoter is in scope but screened out of the PATH framework as it does not operate in a high emitting sector and is not considered as a highly vulnerable counterpart.

The Promoter estimates that baseline greenhouse gas (GHG) emissions related to the existing facility are calculated at 261.2 kg CO₂ eq/year, while relative emissions concerning the planned facility are estimated at 478.1 kg CO₂ eq/year.

Climate assessment

The project has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap and/or associated guidance and other relevant documents (e.g. the Energy Lending Policy).

The project complies with the Directive 2010/31/EU in relation to the energy performance of buildings, and is in line with the Estonian energy efficiency requirements. The new production facility will be equipped with solar panels on the roof of the new building, with yearly photovoltaic energy production estimated at 37 908.6 kWh.

Additionally, as the biopharmaceuticals developed by the Promoter have the potential to be more effective than current treatments, while encompassing fewer hospital visits, the project would have lower derived environmental impacts than existing therapies.

Social assessment

The project does not have any significant negative social impacts.

The project expects to generate positive social benefits by promoting innovation and technological breakthroughs in the discovery and development of biologics, thus offering new potential treatments for unmet medical needs and enhancing patients' quality of life.

By supporting skills development and upgrading, the project is expected to provide significant socio-economic benefits, helping to create and retain highly skilled jobs. In this way, it will strengthen regional socio-economic prosperity and position in global value chains, enhance growth and competitiveness of Estonia in Europe and beyond.

Other Environmental and Social Aspects

The Promoter is committed to animal welfare and the responsible use of animals for scientific purposes. Moreover, the Promoter complies with the European Directive 2010/63/EU on the protection of animals used for scientific purposes, where applicable.



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Conclusions and Recommendations

The Promoter has effective policies and operating procedures in place, which are in line with industry standards.

The project concerns investments in research and development for which no significant impact on the environment is expected. The project covers construction works within or close to the existing company site comprising an extension of less than one third of the initial volume of the building; the Promoter confirmed that no EIA has been requested by the Competent Authority and that a construction permit has been granted.

Sustainability proofing conclusion: the project is carried out in compliance with applicable national and EU environmental and social legislation. Based on the environment, climate and social (ECS) information and based on the review of the likely significant ECS risks and impacts and the mitigation measures and management systems in place, the project is deemed to have low residual ECS risks and impacts. No further sustainability proofing is required.

Considering the above, taking into consideration the Environmental, Social and Climate impacts of this RDI project, including the capacity of the promoter and the overall net positive social impact, this project is deemed acceptable for the Bank's financing under environmental and social terms.