

Luxembourg, 08.05.2024

## Environmental and Social Data Sheet

### Overview

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| Project Name:  | GLOBAL GATEWAY-COPENHAGEN GROWTH MARKETS FUND II   |
| Project Number:  | 2023-0942  |
| Country:   | EU, South Africa, South East Asia and Latin America  |
| Project Description:   | Infrastructure fund targeting equity investments in greenfield renewable energy assets predominantly in emerging markets and in selected EU Member States. By supporting major renewable energy projects, in particular onshore and offshore wind projects with European participation, the investment is well aligned with the objectives of the Global Gateway Initiative. |
| EIA required:  | yes (some investments may require an EIA/ESIA)   |
| Project included in Carbon Footprint Exercise <sup>1</sup> : | no   |

### Environmental and Social Assessment

The Fund targets investments in renewable energy, mostly in offshore and onshore wind as well as solar PV. The Fund will seek to carry out investments in high-growth middle-income economies in Asia Pacific (with focus on Vietnam and India), EMEA (countries in Central and Eastern Europe as well as South Africa) and the Americas (with focus on Mexico, Chile, Colombia and Brazil).

#### Environmental Assessment

The environmental and social impact of most of these renewable energy investments – if appropriately designed and operated – is expected to be limited, site-specific, and largely reversible with no significant negative residual effects after the implementation of mitigation measures. In addition, the Fund could opportunistically invest in other technologies that involve higher risks, such as electricity production from hydropower, geothermal, biomass as well as battery storage and power to X, for which specific additional safeguards and conditions will be included in the legal documentation.

It is expected that a full Environmental (and Social) Impact Assessment E(S)IA will be required for some but not all investments. Regardless, the Fund Manager will be required to perform an assessment of environmental and social risks for each project and follow through the environmental and social performance during project implementation. For investments subject to an Environmental and Social Impact Assessment (ESIA) or biodiversity assessment as defined by national legislation, the Fund Manager shall ensure that the Environmental and Social Impact Assessment or the biodiversity assessment is carried out and that public consultation is undertaken in accordance with national legislation and in line with the EIB E&S

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



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Standards. The Fund will also carry out such an assessment if the investment requires one and if it is located in the EU in accordance with EIA Directive 2014/52/EU amending Directive 2011/92/EU.

Projects with significant negative social or environmental impact will not be allowed. If a project is likely to affect a nature conservation zone or other sensitive areas as defined in national or international environmental legislation, the Fund Manager shall obtain confirmation from the competent authority – following a biodiversity assessment in line with EIB requirements – that the scheme does not have significant negative impacts on any site of nature conservation importance.

### **EIB Paris Alignment for Counterparties (PATH) Framework**

The Fund Manager manages 12 funds and has raised approximately EUR 26 billion from more than 150 institutional investors across the globe. The Fund Manager is assessed to be in scope of and screened into the PATH framework. CIP provides reporting and disclosures in line with SFDR, the Task Force on Climate-Related Financial Disclosures (TCFD) and the GRESB benchmark.

### **Social Assessment, where applicable**

The Fund has a Responsible Investment Policy and ESG standards in place. CIP's Responsible Investment Policy and procedures for ESG integration are guided and informed by established international standards and norms. These include the UN Principles for Responsible Investments (UN PRI) and the Ten Principles of the UN Global Compact (UNGC), with CIP being a signatory of both. They also include the UN Guiding Principles on Business and Human Rights (UNGPR) and the OECD Guidelines for Multinational Enterprises. The ESG framework includes a human rights policy, rejecting the use of any form of forced or compulsory labour, applicable inter alia to the supply chain of the underlined solar PV projects, in compliance with the applicable provisions of the relevant E&S standards of the Bank and national laws.

The Fund will be required to undertake reasonable efforts to assess and address the risks of forced labour in the supply chain. This will include, on a reasonable effort basis, enhanced due diligence, commensurate with the capacity and leverage of the developers regarding labour issues in the supply chain (supply chain mapping and/or declarations from the supplier, per project) ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub projects.

### **Public Consultation and Stakeholder Engagement**

The Fund's ESG governance structure includes an appropriate grievance redress mechanism ("GRM") at project level. The GRM is appropriate to the level of E&S impacts and risks of the underlying projects. It is designed to ensure that any individual or community who believes they are or might be adversely affected by a project is able to file a grievance or complaint using the grievance process. The Fund has also established a grievance register at Fund level allowing stakeholders to submit feedback, concerns or complaints.

### **Other Environmental and Social Aspects**

The Fund has developed a Social and Environmental management System (SEMS) including an ESG policy, which provides management and staff with an objective method of establishing and maintaining good working practices. The SEMS, inter alia, describes the approach to identifying and managing E&S risks within investment and portfolio management processes and defines roles and responsibilities. The GMF II fund will be an SFDR Article 9 fund.

E&S aspects are well integrated in the Fund's investment process, whereby these aspects are reviewed in tandem with other investment documents at the Investment Committee. CIP's



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dedicated ESG Team is the central element of ESG at CIP. Their key responsibilities include defining the ESG principles and standards to be followed by CIP's fund investments and advising CIP's investment functions on ESG matters. ESG integration on a day-to-day basis at the investment level sits with CIP's Investment and Investment Management Teams, with support provided by other support functions within CIP, including the Legal, Finance and Tax functions.

## Conclusions and Recommendations

The Fund will adhere to the EIB's applicable E&S standards and will incorporate the EIB's environmental and social requirements into its legal documentation to the satisfaction of the EIB. All investments shall comply with national legislation and international conventions and agreements ratified by the host country. The Fund Manager is considered to have acceptable E&S policies as well as good internal E&S capacity to operate the Fund in line with EIB requirements.

To further enhance its SEMS, the Fund Manager shall undertake the following, if EIB becomes an investor in the Fund:

1. Fully incorporate the EIB's environmental and social standards into its existing E&S procedures and management system.
2. Where an ESIA is required for an investment, the Fund shall require the investee company to disclose the ESIA and relevant studies on its website. If the Investee does not have the capacity to publish the relevant documentation, the FM will publish such documentation on its own website.
3. Fulfil the relevant requirements and recommendations of the EIB Guidelines on Hydropower Development and the EIB's requirements for sustainable biomass sourcing. Provide regular updates on the Environmental and Social performance of its investments and include appropriate E&S conditions in the legal documentation with the investee company. The Fund will, on an annual basis, prepare and submit to the Bank an aggregated E&S performance report.
4. Ensure that the manufacturing of the key pieces of equipment used in the projects – in particular solar PV panels – is compliant with the relevant labour standards of the EIB and does not involve forced labour across their value chain.