



Luxembourg, 15.12.2022

Environmental and Social Data Sheet¹

Overview

Project Name:	<i>NIAM INFRA FUND</i>
Project Number:	<i>2022-0572</i>
Country:	<i>EU/EFTA – Mainly Nordics and Northern Europe</i>
Project Description:	<i>Equity fund targeting renewable energy, energy efficiency, telecom and sustainable mobility assets.</i>

EIA required: Some investments may require an EIA

Invest EU sustainability proofing required no

Project included in Carbon Footprint Exercise²: no

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

Environmental and Social Assessment

The project concerns the participation of the EIF in the NIAM Infrastructure Fund. The Fund will pursue investments in energy, digital infrastructure and mobility, covering renewable energy (utility scale solar and wind farms), energy efficiency, 5G networks and sustainable mobility (EV charging stations) sectors. In terms of geographical coverage, the Fund will invest in the Nordics (>50%) and Northern Europe (80%) comprising the Baltics, Poland, Germany, Benelux and Ireland. Investments outside the EU will not be more than 10%, and would include UK, Switzerland, Norway and Iceland.

Environmental Assessment

A significant portion of the investments will generate environmental benefits and all fund investments are expected to have limited negative social or environmental impacts.

Some of the Fund’s underlying infrastructure investments (e.g. the utility scale renewable energy projects) in the EU will fall under Annex I or II of EIA Directive 2011/92/EU, requiring a full Environmental Impact Assessment including public consultation or screening by the national competent authority on the basis of Annex III of the same Directive to determine the need for a full EIA. If an underlying investment is subject to an EIA, the fund manager will be required to publish the Environmental and Social Impact Study (or a link) on its website for access by stakeholders.

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.



Luxembourg, 15.12.2022

The fund manager follows the E&S aspects of their investments as part of which it will confirm that the project incorporates all mitigating measures recommended as a result of the EIA.

The fund manager will be required to verify that none of the schemes has a significant negative impact on any site of nature conservation importance, including sites protected under the "Habitats" and "Birds" Directives (92/43/EEC and 2009/147/EC respectively) and the associated Natura 2000 network, Water Framework Directive (2000/60/EC), national legislation and international agreements. If in the reasonable view of the fund manager an investment has the potential to significantly affect sites of nature conservation importance, it shall ensure that an appropriate assessment is carried out for the potentially affected sites, and obtain written confirmation from the competent authority as defined in the relevant EU Directives, or an equivalent assessment satisfactory to the EIF, that the investment does not have a significant negative impact on any protected site.

Climate Assessment

The investments in renewable energy, energy efficiency and clean mobility will contribute to mitigating climate change. The Fund has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals and against the policies set out in the Climate Bank Roadmap. In accordance with the EIBG requirements³, the Fund will ensure Paris Alignment of all its investments, as part of the Side Letter with EIF.

Social Assessment

The fund manager's social requirements include social assessment of social impacts, compliance with national laws and the principles and standards of ILO conventions⁴, in particular prohibition of child or forced and compulsory labour, labour standards, freedom of association and diversity and occupational health and safety. As part of its policies and procedures the fund manager has a code of conduct which it enforces on its suppliers and is already aware of the forced labour issue in the solar PV industry and addresses it in its ESG risk assessment checklist. To the extent possible the fund manager will apply an enhanced due diligence that will ensure that the projects financed are not linked with forced labour practices.

The fund manager will also assess if there is any impact of the projects on Indigenous Peoples (IP) and ensure compliance with Standard 7 of the EIBG environmental and social standards, in particular in the Nordics target area.

Public Consultation and Stakeholder Engagement

Where required by EU Member States' laws and regulations, the fund manager shall ensure that a consultation process with relevant stakeholders takes place and that an appropriate grievance mechanism is in place, including the development of a communication mechanism with external stakeholders as part of its Grievance Redress Mechanism for the underlying investments. The fund manager will ensure that a grievance mechanism at Fund level is also in place.

Other Environmental and Social Aspects

The fund manager is part of the wider Niam AB Group, with a strong team of environmental, social and climate officers, and a mature set of environmental and social investment policies and procedures developed over time. The E&S procedures are incorporated into the overall Quality Management system of the Niam AB Group, which applies to Niam Infra Fund as well.

The quality system, which includes a set of ESG procedures and policies, is considered adequate for the sectors and geographies in which the Fund is investing. The fund manager seeks to improve its systems and processes and therefore has undertaken to create a separate Environmental Social

³ EIB Group Climate Bank Roadmap 2021-2025

⁴ International Labour Organisation



Luxembourg, 15.12.2022

Management system (ESMS) by putting in one integrated system all existing ESG procedures. The ESMS will also be enhanced to ensure compliance with the EIBG requirements, notably to include the excluded activities list, transparency requirements and a grievance mechanism.

A senior sustainability manager of Niam Group will have ultimate responsibility for the ESMS, and for its adequate dissemination to and application by the investment team throughout the investment cycle.

The legal documentation to be concluded between the Fund and the EIF will include an obligation on the Fund to ensure that all projects are in compliance with national and European legislation (where applicable), as well as the EIBG's E&S standards and relevant IEU sustainability proofing requirements.

The Fund is classified as an Article 8 compliant Fund under the Sustainable Finance Disclosure Regulation (SFDR).

EIB Paris Alignment for Counterparties (PATH) Framework

NIAM Group, the parent company of the Fund, has more than EUR 500 million of assets under management. The fund manager is therefore in scope of and screened into the PATH framework. Hence, the EIF will require the fund manager to report – at the latest 12 months after signature – in line with the TCFD recommendations, including in particular information in relation to transition and physical climate risk.

Conclusions and Recommendations

During appraisal, it has been verified that the fund manager has relevant capacity and expertise, has understood the EIBG E&S requirements and will be willing and capable to implement them. Although the fund manager has adequate ESG procedures integrated in the overall quality management system for this Fund, it will nonetheless set up a stand-alone ESMS based on the existing adequate procedures as part of their continuous commitment to improve their systems and procedures. The fund manager has designated an environmental responsible, who oversees all the environmental and social activities aspects.

In order to strengthen the coordination and accountability aspects the Fund will undertake to:

- Add into the ESG policy documents a list of excluded activities, in line with EIBG requirements.
- Create a grievance / external communication mechanism at the Niam Infra Fund level.
- Publish on the Fund's website ESG related policy documents.
- Include and implement meaningful stakeholder engagement and indigenous peoples assessment in the due diligence processes.
- The Fund will be required to undertake reasonable efforts to mitigate risks of forced labour in the supply chain. This will include, on a best effort basis, enhanced due diligence and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub projects.

In view of the above findings and conditions, the operation is deemed satisfactory from an environmental and social compliance perspective.