

# *EIF's Climate and Environmental Criteria*

*23 May 2023  
Merilin Hörats-Beasley*

# Our unique status, policy & return objectives

## Own resources



## Public-private partnership



## AAA credit rating\*\*\*



## Policy & return objective



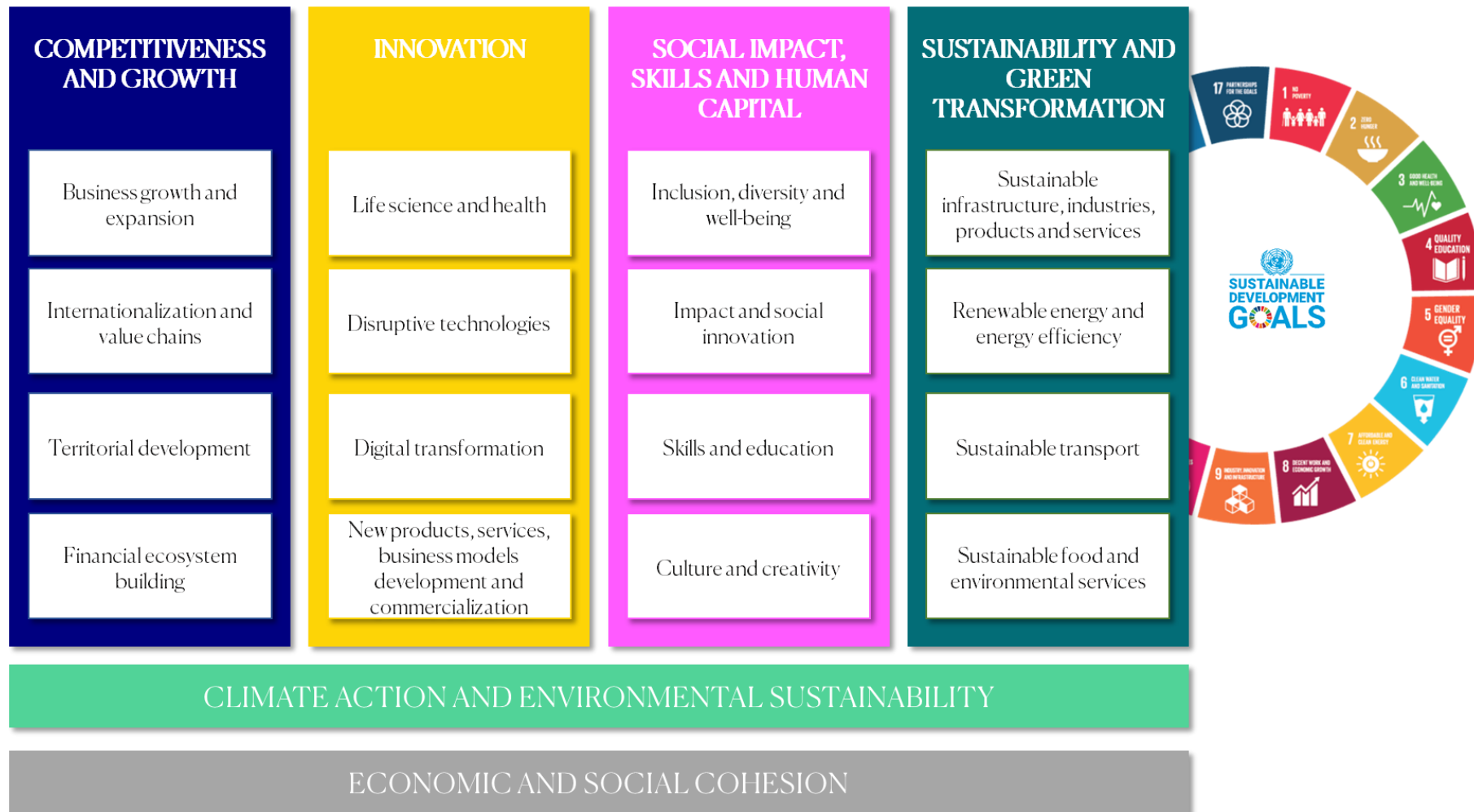
\*Total authorised capital (20% paid-in), equal to 7,370 shares with a nominal share value of EUR 1m each.

\*\*As of April 2023, on the basis of the fully subscribed authorised capital of 7,370 shares.

\*\*\*AAA-rated by three major rating agencies. EIF has a preferred creditor status. ("Multilateral Development Bank") allowing a 0% risk weighting to assets guaranteed by EIF.

# Public Policy Goals (PPGs) and objectives

For mandates and transactions



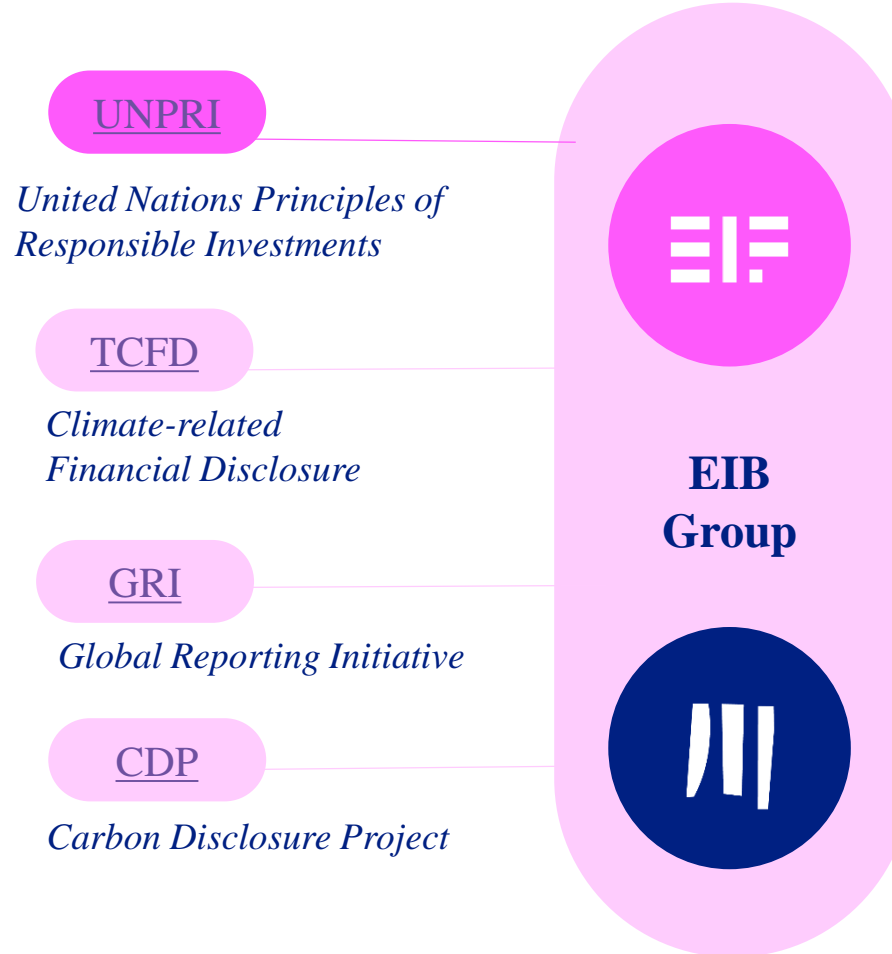
# EIF is supporting the EU's sustainable finance framework and EU Green Deal

## Key role in designing EU financial products in support of sustainability

EIF is a core Implementing Partner of the Commission's **InvestEU** programme

EIF contributes to the implementation of the **Recovery and Resilience Facility** and **REPowerEU**

EIF is contributing to the further development of the **EU Taxonomy** through participation in the **Platform on Sustainable Finance** work



## EIB Group Climate Bank Roadmap

All EIF financing activities follow the **EIBG Paris alignment framework** and are orientated towards low-carbon and climate-resilient development

**EIBG to support EUR 1 trillion** of green investments from 2021 to 2030

## EIF ESG Principles

EIF is a **value-driven and responsible market operator**, striving to implement best practices across all its business lines and within the organization.

# New elements in the transaction process

## Integration of Sustainability and Climate

### 1 Screening of Financial Intermediaries

- Expected **PPGs**, including **CA&ES**
- Identification of **thematic/policy priorities**

### 2 Due diligence & approval

- **ESG questionnaire** to assess policies and procedures of financial intermediaries
- Screening of the **potential incidents related to environmental, social, and corporate governance** from the financial intermediary's track-record
- **Paris alignment of counterparties ("PATH") framework**
- **Climate risk scores** including physical and transition risks
- **PPG contribution, including CA&ES**

### 3 Legal negotiation & signature

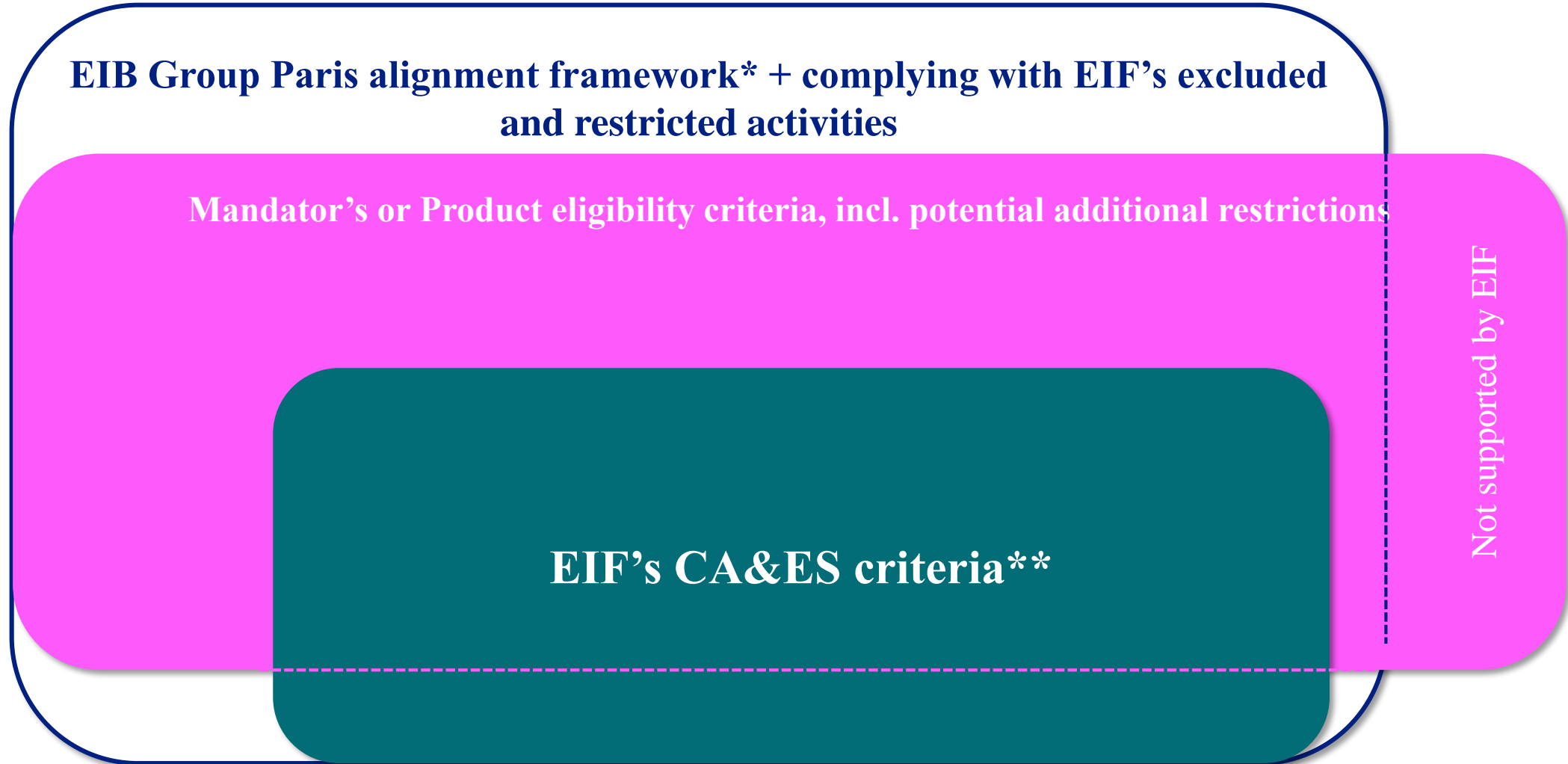
#### Contract/side letter including:

- Reference to additional **EIF Restricted & Excluded sectors** (including InvestEU excluded activities)
- **Compliance with obligations under law**
- **Reference to CA&ES** and representation of target (where relevant)
- **TCFD** disclosure clause (where relevant)
- Clauses in respect of **InvestEU Sustainability proofing**

### 4 Reporting & surveillance

- **Incident screening on environmental, social, and corporate governance** of financial intermediaries (via RepRisk)
- CA&ES portfolio reporting/contribution to the **InvestEU climate and environmental targets**
- Disclosing EIF CA&ES figures publicly

# EIF's approach to CA&ES and Paris alignment

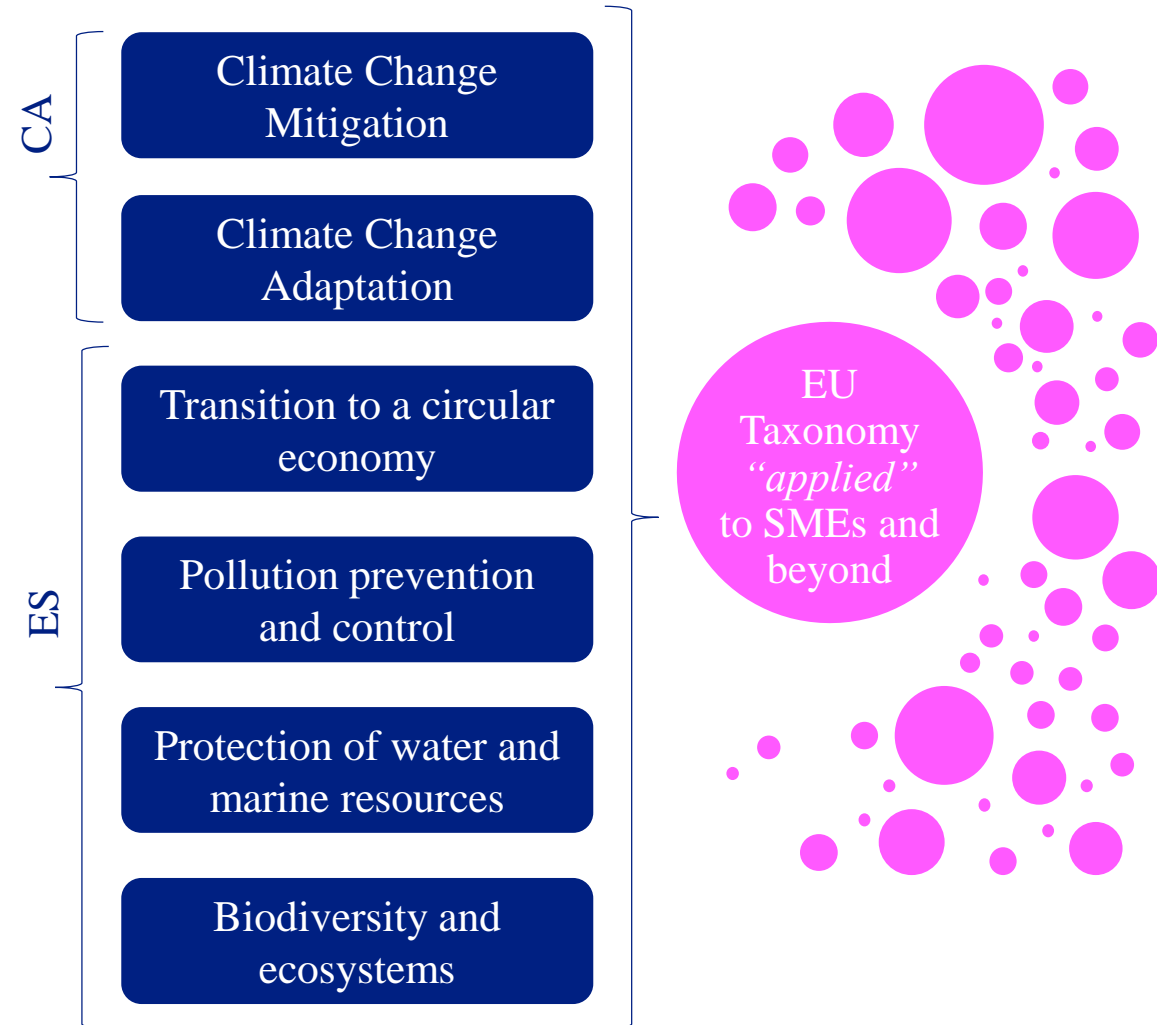


\*EIBG Climate Bank Roadmap Annex 2 Part II - Other fund or similar investments

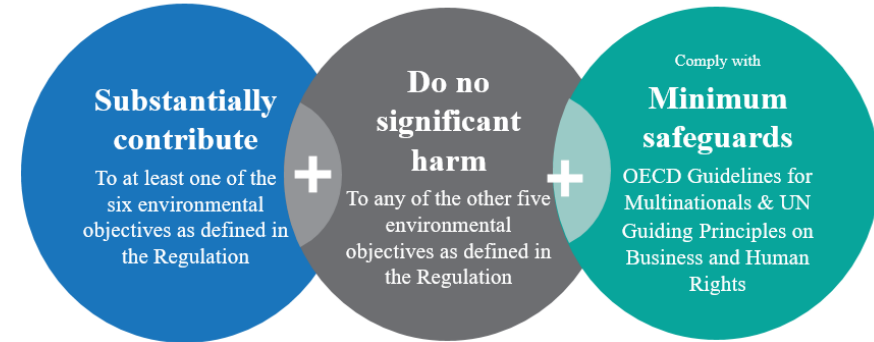
\*\* Guideline on the EIF's criteria for Climate Action and Environmental Sustainability (CA&ES)



# The EIF's CA&ES is inspired by EU Taxonomy objectives



Work in progress



- EIF's CA&ES is **inspired by the EU Taxonomy** for Sustainable Finance; it does not equal to Taxonomy alignment.
- Focus today is on "substantial contribution" criteria of the Taxonomy Delegated Act for mitigation and adaptation.
- Alternative criteria is used for activities not yet covered by the Taxonomy, or where it was considered appropriate (e.g. Green data-driven solutions, ICT, RDI).
- Work will continue as the Taxonomy framework progresses

# What is inside the EIF CA&ES

High level view

## Climate Change Mitigation

- Renewable energy
- Energy efficiency-buildings and industrial facilities
- Green mobility
- Green ICT

## Climate Change Adaptation

- Protection against extreme weather events
- Climate resilience (agriculture, water)
- RDI/ICT/digital solutions to climate adaptation

## Transition to a circular economy

- Development of materials
- Production processes reducing the use of primary materials
- Recovery of waste into secondary raw materials
- RDI/ICT/tech solutions

## Pollution prevention and control

- Pollution prevention and control in industrial processes, agriculture, aquaculture
- RDI/ICT/tech solutions for pollution prevention and control

## Protection of water and marine resources

- Reducing water usage/losses
- RDI/ICT/tech solutions for water management, treatment, reuse, etc.

## Biodiversity and ecosystems

- Sustainable and organic agricultural production (crop+animal)
- Sustainable forest management
- Nature and bio based solutions, alternative proteins
- RDI/ICT/tech solutions



# Determining CA&ES contribution

## “Tracking”



## Reporting



**The CA&ES “ex-ante” target** is estimated by the financial intermediary and agreed jointly with the EIF and the financial intermediary during due diligence, and reflected in the EIF Side Letter as a percentage of the effective (expected) invested amount.


### **CA&ES target is assessed against:**

- FI's past track record / previous experience in CA&ES
- pipeline of eligible investments
- existing products/investments, investment strategies and main motivation regarding CA&ES activities

### **Confirmation ex-post of the CA&ES target through portfolio reporting**

- Based on the reporting from the financial intermediary, by matching the investment/final recipient with the EIF CA&ES criteria.
- Received either at drawdown or quarterly reporting (whenever investment is reported first to EIF), complementing the usual company information provided.

# EIF CA&ES criteria



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## Guideline on the EIF's criteria for Climate Action and Environmental Sustainability (CA&ES)

📅 Release date: 01 April 2022

This Guideline applies to EIF financing and investment operations related to portfolios of SME and mid-cap sub-operations supported through financial intermediaries (FI), and any potential co-investment under equity investment products. It is consistent with the overall definitions and guidelines on CA&ES financing of the EIB Group. This Guideline does not apply to infrastructure equity funds, which follow their own dedicated procedure in assessing the CA&ES contribution.

The Guideline will be used as a basis for all EIF products and transactions when setting the expectations for CA&ES contribution of financial intermediaries' (FI) transactions at commitment level and for ex-post portfolio monitoring and reporting.

Language

EN 

# EIF CA&ES criteria

## Guideline on EIF's criteria for Climate Action and Environmental Sustainability (CA&ES) operations in EIF's intermediated SME and mid-cap financing (April 2022)

This Guideline applies to EIF financing and investment operations related to portfolios of SME and mid-cap sub-operations supported through financial intermediaries (FI), and any potential co-investment under equity investment products. It is consistent with the overall definitions and guidelines on CA&ES financing of the EIB Group. This Guideline does not apply to infrastructure equity funds, which follow their own dedicated procedure in assessing the CA&ES contribution.

This Guideline will be used as a basis for all EIF products and transactions when setting the expectations for CA&ES contribution of financial intermediaries' (FI) transactions at commitment level and for ex-post portfolio monitoring and reporting.

Investments/financing to high-emitting manufacturing sectors and aviation, reflected otherwise via NACE codes as restricted for intermediated finance under the Paris Alignment framework of the EIB Group, unless CA&ES, shall be allowed if they (either through contractual reporting or other forms agreed with EIF) (i) qualify as environmentally sustainable investments as defined in the "EU taxonomy for sustainable activities" (Regulation (EU) 2020/852 ("EU Taxonomy"), as amended from time to time) as supplemented by the technical criteria established under the "EU Taxonomy Delegated Acts" (Commission delegated Regulations (EU) supplementing Regulation (EU) 2020/852 or upcoming Taxonomy Delegated Acts, as amended from time to time respectively), or (ii) are eligible under EIF's Climate Action & Environmental Sustainability (CA&ES) criteria for green financing below. For potential activities not covered in any of the documents, a prior agreement with the EIF (who in turn may consult EIB as relevant) is needed to be able to qualify an investment as CA or ES for EIF's financing purposes. Under point 1 (climate change mitigation), where appropriate, the list currently draws on the first EU Taxonomy delegated act. The list will be adapted in the near future, in line with developments in overall EIB Group definitions, to take account of further delegated acts for climate and other environmental objectives. NACE codes are mentioned for indicative purposes only.

Green results indicators under climate mitigation criteria in the respective units shall be estimated and reported where indicated on a best effort basis. Failing to report such indicator does not give cause to excluding the loan or investment from EIF's portfolio.

Depending on product specificities, financing to final beneficiaries can also be classified as contributing to CA and/or ES objectives if the relevant financing has been originated by the financial intermediary in compliance with the following criteria:

- CA or ES action represents a 'great majority of their activity', meaning that at least 90% of the recipient's revenue during the preceding financial year or future revenues as per a business plan<sup>1</sup> are/will be generated from an activity that complies with the relevant criteria in this guidance. In this case the whole financing operation can be considered as contributing to climate and or environmental objectives.
- In case the proportion of revenues that complies with the criteria is lower than 90%, only the part that fulfils the criteria can be considered as contributing to CA or ES objectives. For example, a company receives a EUR 100 000 working capital loan or equity investment. The preceding financial year it generated 45% of its revenues from activities that comply with the criteria for the climate objectives. In this case, EUR 45,000 can be considered as contributing to climate objectives.

<sup>1</sup> In case of start-ups this shall be based on the business plan.

# Determining CA&ES contribution

## 6. Protection and restoration of biodiversity and ecosystems

| No  | Activity   | Criteria and Guidance   |   |   |                                      |   |   |   |     |  |  |   |   |                                      |
|---|--|---|---|---|--------------------------------------|---|---|---|-----|--|--|---|---|--------------------------------------|
| 6.1   | Preservation, protection, conservation of biodiversity and ecosystem services                                | <p>This includes the protection, management and maintenance of ecosystems, habitats, wildlife species and populations like marine and coastal waters, peatlands (including wet agriculture), forests, grasslands and other agroecosystems, wetlands, freshwater habitats (rivers and lakes) in order to safeguard the natural conditions for their long-term permanence. Conservation of species and biological diversity.</p> <p><b>2. Climate change adaptation</b></p> <p>This may include:</p> <ul style="list-style-type: none"><li>designating natural areas</li><li>targeted conservation plans and measures</li><li>biological monitoring</li><li>payment for ecosystem services</li><li>protection of natural resources</li></ul>  |   |   |                                      |   |   |   |     |  |  |   |   |                                      |
|   |  | <table><tr><th>No</th><th>Activity</th><th>Criteria and Guidance</th></tr><tr><td>2.1</td><td>Investments in protecting the company premises and natural capital assets against the impacts of extreme weather events</td><td>Investments must respect EU environmental protection standards. Investments should focus on nature-based solutions (passive installations such as dam-like walls that provide a protective function but no other ecological function cannot be considered).</td></tr><tr><td>2.2</td><td>Investments covered by climate adaptation plans and strategies</td><td>Specific as identifier and/or</td></tr></table>   | No  | Activity  | Criteria and Guidance                | 2.1   | Investments in protecting the company premises and natural capital assets against the impacts of extreme weather events | Investments must respect EU environmental protection standards. Investments should focus on nature-based solutions (passive installations such as dam-like walls that provide a protective function but no other ecological function cannot be considered). | 2.2 | Investments covered by climate adaptation plans and strategies       | Specific as identifier and/or  |   |   |                                      |
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| <b>1. Climate change mitigation</b>   |  |   |   |   |                                      |   |   |   |     |  |  |   |   |                                      |
| <table><tr><th>No</th><th>Activity</th><th>Criteria and guidance</th><th>Green Results Indicator<sup>2</sup></th></tr><tr><td colspan="4"><b>Renovation of existing buildings<sup>3</sup></b></td></tr><tr><td>1.1</td><td>New energy efficiency and GHG reduction projects or measures in existing industrial or commercial facilities</td><td><p>1. If the measure's objective is to achieve, on average, at least a 30% primary energy savings or 30% reduction of direct and indirect GHG emissions compared to the ex-ante emissions, which could be one or a combination of the following (non-exhaustive)<sup>4</sup>:</p><ul style="list-style-type: none"><li>Actions identified by an energy audit (in line with the European Standard EN 16247 Energy or equivalent) – including internal audits or external audits.</li><li>Actions as a result of an energy efficiency plan or certified energy management systems (ISO 14001, EMAS, or equivalent).</li><li>Actions where suppliers or installers of equipment can demonstrate substantial reduction in energy use or net GHG emissions.</li><li>Investment aimed at phasing out emissions of greenhouse gases (IPCC 2007, CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, PFCs, HFCs, CFCs and HCFCs), including for transition away from fossil fuels use.</li></ul><p>Example: Improvements to existing industrial processes, implementing new processes or advanced manufacturing technology solutions, leading to a reduction in consumption of non-energy primary resources through changes in processes or process inputs.</p><p>2. New or replacement of stand-alone energy efficient appliances or equipment:</p><ul style="list-style-type: none"><li>New or replacement equipment not covered elsewhere, that demonstrate a substantial reduction in net energy consumption, resource consumption, or CO<sub>2</sub>e emissions</li><li>The activity shall use the best available technology or match or surpass country appropriate technology benchmarks in performance.</li><li>Electrification of appliances or equipment previously combusting a fossil fuel shall be eligible without the need for a demonstration of a substantial reduction in net energy consumption, resource consumption, or CO<sub>2</sub>e emissions where electrification is relatively rare for that type of appliance or equipment.</li></ul><p>Example:</p><ul style="list-style-type: none"><li>zero tailpipe emission forklifts powered by hydrogen or lithium batteries replacing forklifts with combustion engines or</li></ul></td><td>Estimated energy savings (kWh/year) estimated on the basis of any acceptable method as defined in the previous column</td></tr></table> |  | No  | Activity  | Criteria and guidance   | Green Results Indicator <sup>2</sup> | <b>Renovation of existing buildings<sup>3</sup></b> |   |   |     | 1.1  | New energy efficiency and GHG reduction projects or measures in existing industrial or commercial facilities | <p>1. 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| <b>Renovation of existing buildings<sup>3</sup></b>   |  |   |   |   |                                      |   |   |   |     |  |  |   |   |                                      |
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| 6.2   | Restoration of biodiversity and ecosystem services   | <p>Restoration of their form and function:</p> <ul style="list-style-type: none"><li>ecosystem mangrove reconstitution</li><li>forest restoration etc.;</li><li>restoration of natural resources</li><li>re-naturalization</li><li>removal of barriers</li><li>restoration of natural resources</li></ul>   |   |   |                                      |   |   |   |     |  |  |   |   |                                      |
|   |  | <table><tr><td>2.3</td><td>Climate resilience investments in agriculture</td><td>This could be their use</td></tr><tr><td>2.4</td><td>Investments in resilience and management of water</td><td>This could be their use</td></tr><tr><td>2.5</td><td>Research, development and innovation investments enabling adaptation</td><td>R&amp;D investment</td></tr><tr><td>2.6</td><td>ICT / digital solutions for investments enabling adaptation</td><td>Investment in the ecological climate</td></tr></table>  | 2.3   | Climate resilience investments in agriculture   | This could be their use              | 2.4   | Investments in resilience and management of water   | This could be their use   | 2.5 | Research, development and innovation investments enabling adaptation | R&D investment   | 2.6   | ICT / digital solutions for investments enabling adaptation   | Investment in the ecological climate |
|   |  | 2.3   | Climate resilience investments in agriculture   | This could be their use   |                                      |   |   |   |     |  |  |   |   |                                      |
|   |  | 2.4   | Investments in resilience and management of water   | This could be their use   |                                      |   |   |   |     |  |  |   |   |                                      |
| 2.5   | Research, development and innovation investments enabling adaptation   | R&D investment  |   |   |                                      |   |   |   |     |  |  |   |   |                                      |
| 2.6   | ICT / digital solutions for investments enabling adaptation  | Investment in the ecological climate  |   |   |                                      |   |   |   |     |  |  |   |   |                                      |
| <b>Other prevention and control projects; land management</b>   |  |   |   |   |                                      |   |   |   |     |  |  |   |   |                                      |
| <p>Activities that may include:</p> <ul style="list-style-type: none"><li>project management</li><li>conversion of the soil</li><li>management of eutrophication</li><li>pollution control in ecosystems</li></ul>  |  |   |   |   |                                      |   |   |   |     |  |  |   |   |                                      |

# Reporting of CA&ES contribution VC/PE funds



## EIF Declaration of New Investee

to be provided per investee as Drawdown Notice Annex (DNA), as Quarterly report Annex (QRA) or for new funds

VERSION: 2023.01

| Fund Name   |  |
|---|--|
| Fund  |  |
| Please select Investee Type                             |  |
| Company Or Project (Technology Transfer/Infrastructure) |  |

Generate Form

**Background Information**

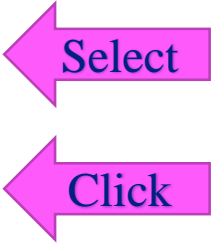
For any new investee (new and follow-ons in the case of ESIF), we are kindly asking you to provide this investee information form, duly filled-in, in excel format (xlsm). This should allow us to fulfil our obligations vis-à-vis our mandators, while at the same time honor our capital call obligations in due time. Should you have any questions, please do not hesitate to contact EIF Admin at: [vc-admin@eif.org](mailto:vc-admin@eif.org)

| Instructions   |                              |
|--|------------------------------|
| 1) Do not reuse the form from previous submissions, download always the latest version.  | <b>Download</b>              |
| 2) Make sure that the "Excel Macros" are enabled.  | <b>Enable/Disable macros</b> |
| 3) Select the correct fund according to the instructions below, select the Investee Type and click in "Generate Form".         |                              |
| 4) Complete the investee information avoiding copy-pasting cells from external excels and respect the proposed dropdown lists. |                              |
| 5) When the form is complete and the "declaration status" is in "green", save the file in the same format (xlsm) and send it.  |                              |

**Selecting the correct fund:**

|  |   |
|--|---|
| Standard Cases                               | Select your fund by searching by name. If your fund does not appear in the list, please select "General Template Form". |
| European Angel Funds (other than EAF Europe) | Please select "European Angels Funds"   |
| European Angel Funds – EAF Europe            | Please select "EAF Europe"  |
| German CMF                                   | Please select "German Corona Matching Facility"   |
| AI Co-Investment Facility                    | Please select "AI Co-Investment Facility"   |

|              |            |
|--------------|------------|
| Version Date | 12/01/2023 |
| Date         | 12/01/2023 |
| Form Vintage | 0          |





# Reporting of CA&ES contribution VC/PE funds

*NB for illustration – fields are subject to change*

| NEW INVESTEE - INFORMATION ON CA&ES   |   |
|---|---|
| Is the investment or activity of the investee contributing to climate action and/or environmental sustainability (CA&ES) objectives?  |   |
| The investment or investee contributes to CA&ES in the following sector:  | Energy and energy efficiency                  |
| Please specify the main activity to which the investment or investee contributes:   | Biodiversity and ecosystems                   |
| <b>Guidelines:</b> Please countercheck your selection with the information below  | Pollution prevention and control              |
|   | Climate change adaptation and resilience      |
|   | ICT solutions                                 |
|   | Technical services                            |
|   | Research, development and innovation          |
|   | Green enterprises                             |
|   | No, the investee does not contribute to CA&ES |
| <p>1. Wind, solar PV, solar thermal heat, Concentrated Solar Power, ocean energy.</p> <p>2. Geothermal and hydropower plants operating at life cycle emissions lower than 100gCO<sub>2</sub>e/kWh.</p> <p>3. Biomass:</p> <p>a) If the objective of the measure relates to the production of electricity or heat/cool from biomass, in line with Directive (EU) 2018/2001:</p> <p>i) Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5.</p> <p>ii) Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7.</p> <p>b) and if the objective of the measure is to achieve at least 80% GHG emission savings at the facility from the use of biomass in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.</p> <p>c) Where the installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of Commission Delegated Regulation (EU) 2021/2139 supplementing Regulation 2020/852 Annex 1, as applicable.</p> <p>d) Points 1 and 2 do not apply to electricity or heat generation or cogeneration installations with a total rated thermal input below 2 MW and using gaseous biomass fuels.</p> <p>e) For electricity generation installations with a total rated thermal input from 50 to 100 MW, the activity applies high-efficiency cogeneration technology, or, for electricity-only installations, the activity meets an energy efficiency level associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for large combustion plants .</p> <p>f) For electricity generation installations with a total rated thermal input above 100 MW, the activity complies with one or more of the following criteria:</p> <p>i) attains electrical efficiency of at least 36%;</p> <p>ii) applies highly efficient CHP (combined heat and power) technology as referred to in Directive 2012/27/EU ;</p> <p>iii) uses carbon capture and storage technology. Where the CO<sub>2</sub> that would otherwise be emitted from the electricity generation process is captured for the purpose of underground storage, the CO<sub>2</sub> is transported and stored underground in accordance with the technical screening criteria set out in Sections 5.11 and 5.12, respectively, of Commission Delegated Regulation (EU)2021/2139 supplementing Regulation 2020/852 Annex 1.</p> <p>4. If the objective of the measure relates to the production of biogas and biofuels from biomass for the use in transport, and bioliquids, (excluding food and feed crops), in line with Directive (EU) 2018/2001; and if the objective of the measure is to achieve at least 65% GHG emission savings at the facility from the use of biomass for this purpose in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex V to Directive (EU). Where the manufacture of biogas relies on anaerobic digestion of organic material, the production of the digestate meets the criteria in above point No. 3c as applicable.</p> <p>5. Production of heat/cool using waste heat.</p> <p>6. Manufacturing of products, key components and machinery that are essential for renewable energy technologies. For bio energy technologies, they must meet the conversion efficiency requirements set in the Renewable Energy Directive (2018/2001/EU).</p> |   |
| <b>Expected</b> reporting unit  | Installed capacity (energy generation) (kW)   |
|   | Energy production (kWh/year)                  |
| Please select a reporting unit:   | Please complete if information available      |
| Please indicate an estimated value for the selected reporting unit:   | Please complete if information available      |

# Reporting of CA&ES contribution VC/PE funds

*NB for illustration – fields are subject to change*

| NEW INVESTEE - INFORMATION ON CA&ES   |   |
|---|---|
| Is the investment or activity of the investee contributing to climate action and/or environmental sustainability (CA&ES) objectives?  |   |
| The investment or investee contributes to CA&ES in the following sector:  | Energy and energy efficiency <span>Select</span>                              |
| Please specify the main activity to which the investment or investee contributes:   | Renewable energy technologies <span>Select</span>                             |
| <b>Guidelines:</b> Please countercheck your selection with the information below  |   |
| <p>Manufacturing, purchase, installation and maintenance for the operation, for example the following individual measures and ancillary technical equipment:</p> <ul style="list-style-type: none"> <li>• solar photovoltaic systems, solar hot water panels and solar transpired collectors.</li> <li>• manufacturing, installation, operation and upgrade of heat pumps contributing to the targets for renewable energy (refrigerant threshold: GWP ≤ 675).</li> <li>• wind turbines.</li> <li>• thermal or electric energy storage units.</li> <li>• high-efficiency micro CHP (combined heat and power) plant.</li> <li>• heat exchanger/recovery system.</li> <li>• production of renewable and other forms of low-carbon hydrogen as defined in the EU Taxonomy Regulation.</li> </ul> |   |
| <u>Expected</u> reporting unit  | Installed capacity (energy generation) (kW)                                   |
| Please select a reporting unit:   | Investee annual turnover of CA&ES relevant activities (%) <span>Select</span> |
| Please indicate an estimated value for the selected reporting unit:   | Please complete if information available <span>Fill</span>                    |



# Reporting CA&ES contribution debt funds

## New Final Recipient Transactions during reporting period

NB: for illustration – codes are subject to change

### PART A - A2 NEW PORTFOLIO COMPANY TRANSACTIONS

| A.1.1              | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2                 | .2              | A.2.32         | A.2.33             | A.2.33                                       | A.2.34  | A.2.35 |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|----------------|--------------------|--|---|--------|
| Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | Final Recipient ID | CA&ES objective | CA&ES activity | CA&ES sub-activity | CA&ES linked to Purpose of financing ? (Y/N) | Percentage of company revenues compliant with CA&ES |        |
| Mandatory          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    | Mandatory       | Mandatory      | Mandatory          | Mandatory                                    | Mandatory   |        |

|   |   |           |                               |                     |                             |           |                 |                  |   |   |   |  |
|---|---|-----------|-------------------------------|---------------------|-----------------------------|-----------|-----------------|------------------|---|---|---|--|
| < | > | A1 New PC | <b>A2 New FR Transactions</b> | B Info on Portfolio | C Defaulted FR Transactions | D Expired | F Modifications | CA&ES Dictionary | + | : | < |  |
|---|---|-----------|-------------------------------|---------------------|-----------------------------|-----------|-----------------|------------------|---|---|---|--|

| CA&ES objective code | CA&ES objective description | CA&ES activity code | CA&ES activity description   | CA&ES sub-activity code | CA&ES sub-activity description   |
|----------------------|-----------------------------|---------------------|--|-------------------------|--|
| 1                    | Climate change mitigation   | 1.01                | New energy efficiency and GHG reduction projects or measures in existing industrial or commercial faci | 1.01.A                  | Measure's objective is to achieve, on average, at least a 30% primary energy s |
| 1                    | Climate change mitigation   | 1.02                | New energy efficiency and GHG reduction projects or measures in existing industrial or commercial faci | 1.02.B                  | New or replacement of stand-alone energy efficient appliances or equipment     |
| 1                    | Climate change mitigation   | 1.03                | Energy efficiency renovation of existing private, commercial or public buildings                       | 1.03.A                  | The building renovation complies with the applicable requirements for major i  |
| 1                    | Climate change mitigation   | 1.04                | Energy efficiency renovation of existing private, commercial or public buildings                       | 1.04.B                  | Renovation leads to a reduction of primary energy demand (PED) of at least 3   |
| 1                    | Climate change mitigation   | 1.05                | Construction of new energy efficient private, commercial or public buildings                           | 1.05.A                  | Construction of new energy efficient private, commercial or public buildings   |
| 1                    | Climate change mitigation   | 1.06                | Individual energy efficiency renovation measures and equipment   | 1.06.A                  | Manufacture of energy efficiency equipment for buildings                       |
| 1                    | Climate change mitigation   | 1.07                | Individual energy efficiency renovation measures and equipment   | 1.07.B                  | Installation, purchase, maintenance of the above individual measures, like ins |
| 1                    | Climate change mitigation   | 1.08                | Manufacturing and investment in other low carbon technologies not included elsewhere                   | 1.08.A                  | Manufacturing and investment in other low carbon technologies not included     |
| 1                    | Climate change mitigation   | 1.09                | Production of renewable energy, electricity and/or Heat/Cool   | 1.09.A                  | Solar power (solar PV, solar thermal heat, Concentrated Solar Powerplants)     |
| 1                    | Climate change mitigation   | 1.10                | Production of renewable energy, electricity and/or Heat/Cool   | 1.10.B                  | Wind power   |
| 1                    | Climate change mitigation   | 1.11                | Production of renewable energy, electricity and/or Heat/Cool   | 1.11.C                  | Hydro power  |
| 1                    | Climate change mitigation   | 1.12                | Production of renewable energy, electricity and/or Heat/Cool   | 1.12.D                  | Ocean power  |
| 1                    | Climate change mitigation   | 1.13                | Production of renewable energy, electricity and/or Heat/Cool   | 1.13.E                  | Geothermal power   |
| 1                    | Climate change mitigation   | 1.14                | Production of renewable energy, electricity and/or Heat/Cool   | 1.14.F                  | Biomass/biothermal power   |
| 1                    | Climate change mitigation   | 1.15                | Production of renewable energy, electricity and/or Heat/Cool   | 1.15.G                  | Heat/cool production using waste heat  |
| 1                    | Climate change mitigation   | 1.16                | Production of renewable energy, electricity and/or Heat/Cool   | 1.16.H                  | Other  |
| 1                    | Climate change mitigation   | 1.17                | Renewable energy technologies  | 1.17.A                  | Solar power (solar PV, solar thermal heat, Concentrated Solar Powerplants)     |
| 1                    | Climate change mitigation   | 1.18                | Renewable energy technologies  | 1.18.B                  | Wind power   |
| 1                    | Climate change mitigation   | 1.19                | Renewable energy technologies  | 1.19.C                  | Hydro power  |

# Practical links

- ✓ **EIF CA&ES criteria**
- ✓ **New Investee Form for VC and PE funds**
- ✓ **EIF ESG Principles**
- ✓ **EIBG's Climate Bank Roadmap**
- ✓ **InvestEU Call for Expression of Interest**

# Q&A



*Thank you!*

*Follow our stories  
and work on social media*



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Strategy & Business  
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# *Appendix*

- 
- *CA&ES examples*
  - *Our commercial due diligence*
  - *ESG*

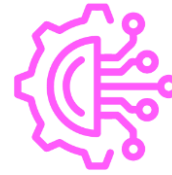
# EIF's CA&ES activity in 2022



21% of EIF's Corporate Operational Plan commitment volumes in 2022 targeted CA&ES.

# EIF's CA&ES criteria

Example: 1.24 Green data-driven solutions



## Criteria

**Green data-  
driven solutions**

## Requirements/examples

The ICT solutions are predominantly used for the provision of data and analytics enabling substantial GHG emissions reductions **or** the ICT solutions demonstrate life-cycle GHG emissions savings compared to the best performing alternative technology/solution available on the market.

Life-cycle GHG emissions and net emissions are calculated using the Commission Recommendation 2013/179/EU or, alternatively, using ETSI ES 203 199 , ISO 14067:2018 or ISO 14064-2:2018.



# EIF's CA&ES criteria



## Example: 3.1. Investments in water technologies

### Criteria

**Investment or technologies leading to reducing water usage and/or water losses**

### Requirements/examples

Water efficiency and water-saving technologies, including waste water

- Water saving systems that will lead to at least a 10% decrease in water use.
- Sewer/storm water systems, drainage systems, water retention infrastructure.
- New technologies that ensure a substantial reduction in water use going beyond 'business as usual' e.g. polymer cleaning; closed-loop cooling processes.
- Precision irrigation technologies.
- Nature-based solutions or low impact technologies aimed to be integrated in building design to substantially improve water conservation, efficiency, reuse and discharge reduction.
- Water reuse technologies, smart water management, or technologies that improve water quality.

# EIF's CA&ES criteria



Example: 4.1. Materials that are recyclable, reusable or compostable

## Criteria

**Development  
and/or  
sustainable  
production of  
materials that are  
recyclable,  
reusable or  
compostable**

## Requirements/examples

Production and/or development should increase durability, reparability, upgradability and re-usability of materials.

All materials or products need to respect EU or international, and national industry-specific standards.

The demonstration of circular design/production and/or material substitution impacts may be provided through, for example, life cycle assessment (simplified where pertinent), environmental product declarations or eco-design / circular economy certifications (e.g. Cradle2cradle certification).

# EIF's CA&ES criteria



Example: 5.8 RDI aimed at pollution prevention and control

## Criteria

**Research,  
development and  
innovation aimed  
at pollution  
prevention and  
control**

## Requirements/examples

Research, development of innovative technologies, applications or solutions that have the potential to substantially prevent or reduce pollutant emissions to the environment.

Air quality, noise reduction, water, marine or soil pollution.

# EIF's CA&ES criteria

Example: 6.6. Non-traditional crops



## Criteria

**Investments in  
non-traditional  
crops and  
alternative  
proteins**

## Requirements/examples

This includes: algae; proteins from insects used for fish and animal nutrition, etc.

Sustainable and organic agricultural activities, conducted by certified operators that do not lead to the conversion, fragmentation or intensification of use of natural habitats (particularly areas of high-biodiversity value).

Certifications may include: international and EU organic/biological aqua and agriculture certification; sustainable aqua and agriculture certification (e.g. Aquaculture Stewardship Council – ASC, Marine Stewardship Council –MSC, Rainforest Alliance).

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# *Our commercial due diligence process*

---

*We perform a thorough  
review of the main aspects  
of the investment proposal*

# Our equity solutions

We make catalytic investments crowding in private investors and increasing long term sustainability

|                                     | Technology transfer  | Business angels                                 | Venture capital   | Lower mid-market & hybrid debt equity  |
|-------------------------------------|--|---|---|--|
| <b>Risk sharing mechanism</b>       | Investment in funds often alongside other public investors   | Investment matching for BAs via co-investments  | Investment in funds often sending a positive signalling effect to private investors   | Investment in funds often sending a positive signalling effect to private investors              |
| <b>Benefit for small businesses</b> | Funding for research projects reaching the development phase | Pre-seed funding for early stage business ideas | Funding for Europe's most disruptive founders in ICT, life sciences and social impact | Funding to unlock the growth potential and boost internationalization of SMEs and small mid-caps |
| <b>Net commitments</b>              | €1.2bn   | €0.3bn  | €17.8bn   | €13.5bn  |

Notes: Transaction level data based on net commitments (signatures), excludes selective debt.

Source: SPA reporting, data as at 31/12/2022.

# Our equity financing solutions

We adopt our approach based on the specific market failure

## Market failure

**Fund raising**  
(new teams,  
sectors, regions)

**Attracting private  
investor capital**

**Closing larger  
funds or later  
generation funds**

## Risk sharing approach

### Market builder

- Taking a large stake in the funds acting as the cornerstone investor

### Market catalyst

- Catalysing private investors by taking a nominal stake in the fund and providing a seal of approval

### Market access provider

- Providing market access to private institutional investors often in oversubscribed funds

## Leverage potential

Higher



Lower

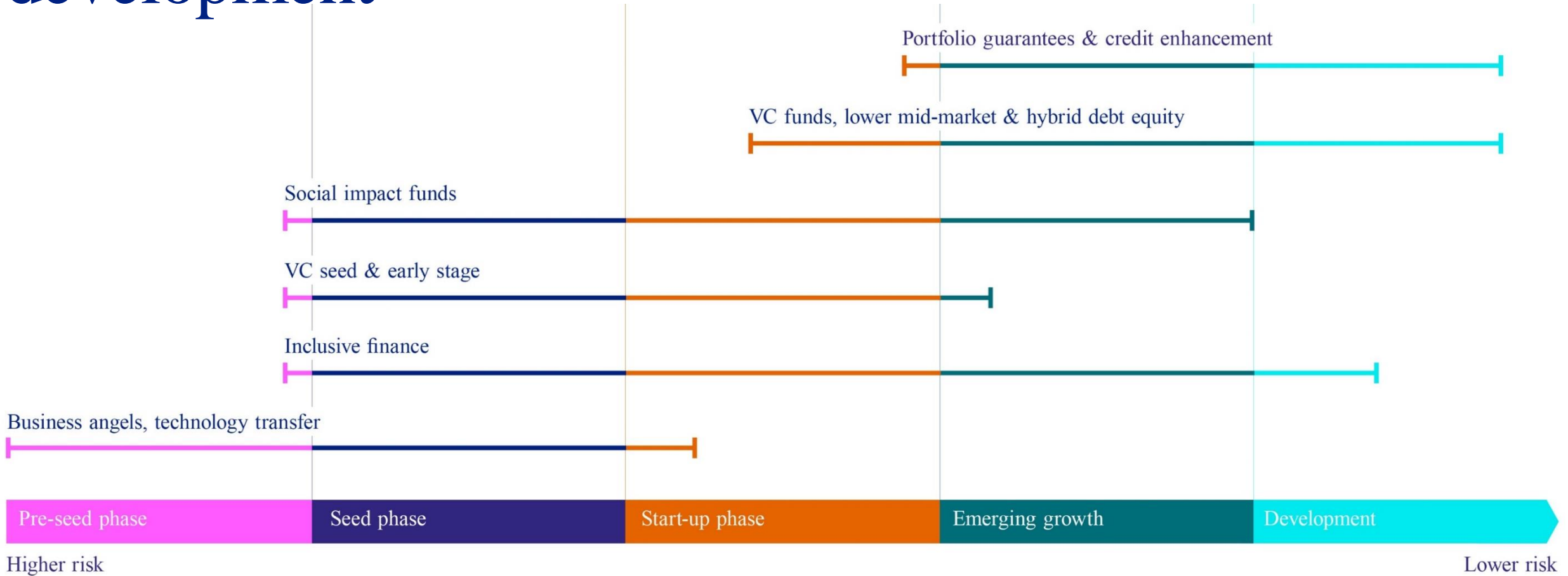
## Small businesses benefit



*Note: Different instruments result in different SME benefits*



# Our products help small businesses at every stage of development



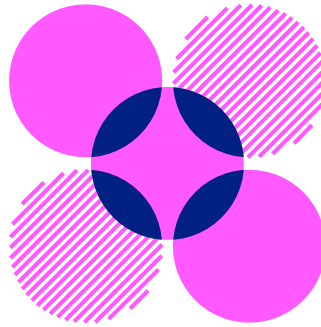
# Our mandate deployment process

A proven and efficient approach, powered by specialist teams



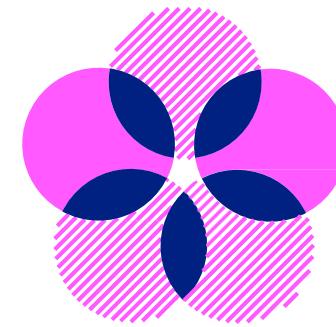
We **notify** the market through transparent online and offline mechanisms

*Funds apply based on their risk sharing needs*



We **assess and select** financial intermediaries based on best fit with the mandate requirements

*Rigorous due diligence of all relevant applications*



**Monitor & audit** mandate deployment, tracking and reporting progress and adapting if necessary

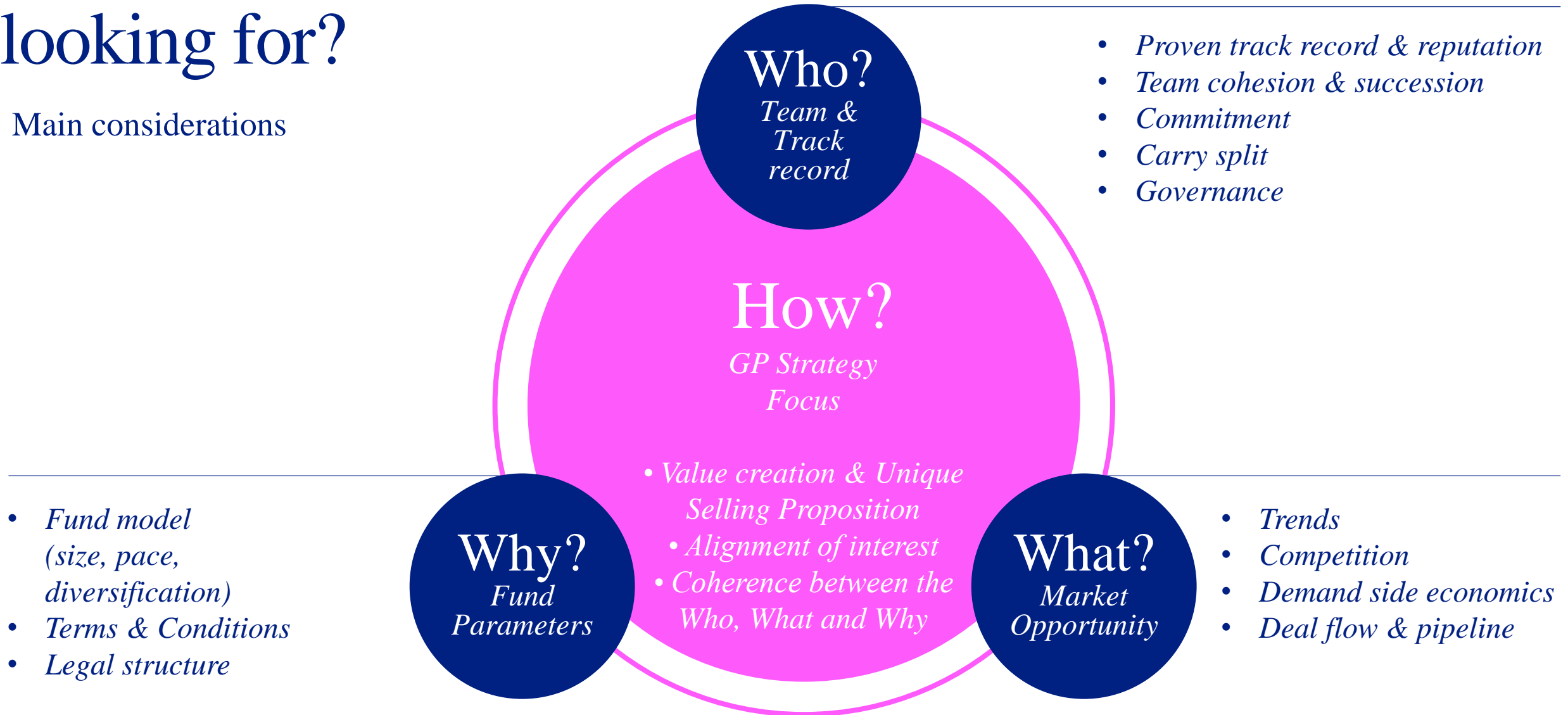
*Timely monitoring of investments in small businesses*

---

This activity is supported by independent risk and compliance reviews, an investment risk committee and legal negotiations

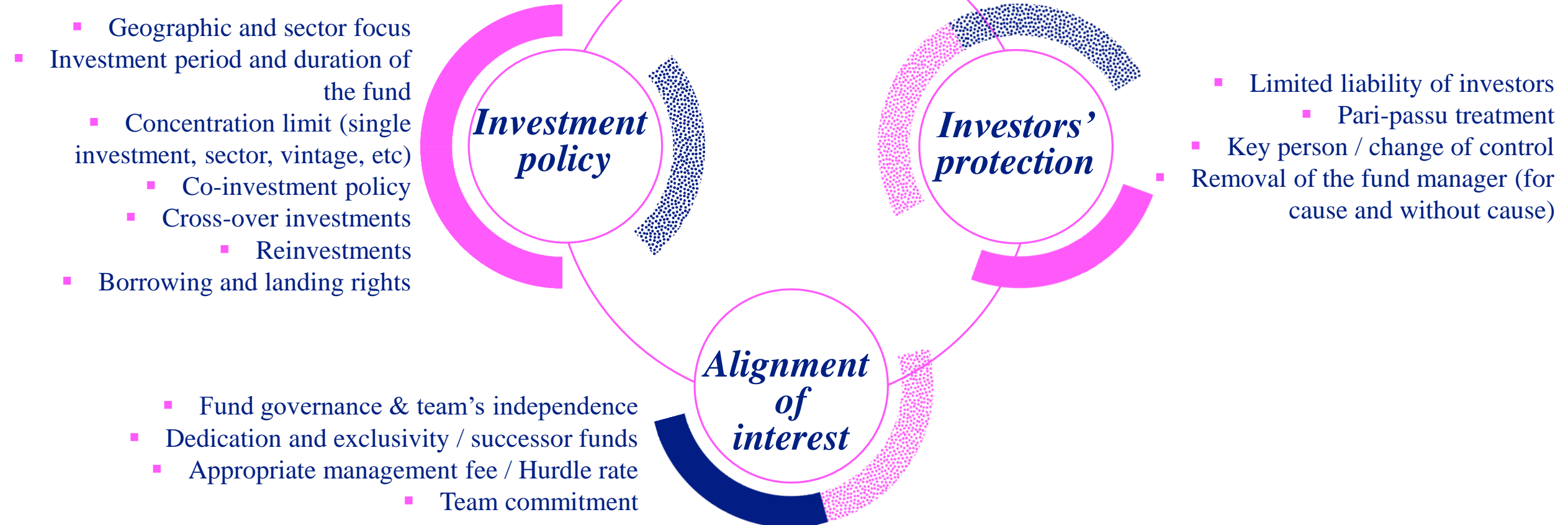
# What is the EIF looking for?

Main considerations



# Key terms and conditions

Investment guidelines and investors' protection



# Our equity investment process

A selective and rigorous approach involving EIF risk, compliance, legal departments

1

2

3

4

## Sourcing

Market intelligence

Pro-active sourcing via existing network and placement agents

Active participation in conferences

## Screening

First screening through desk analysis

Second screening through physical meetings

## Due diligence

Through site visit(s) and interviews, full due diligence is conducted on:

- strategy
- market opportunity
- team
- track record
- structure
- T&Cs
- maximisation of alignment of interests

## Investment decision

EIF IC investment team  
Risk  
Compliance  
Legal services  
CEO office

### Outcome

*Deal pipeline*

*Decision to move to full due diligence*

*Investment recommendation*

### Responsibility

*Equity investment team*

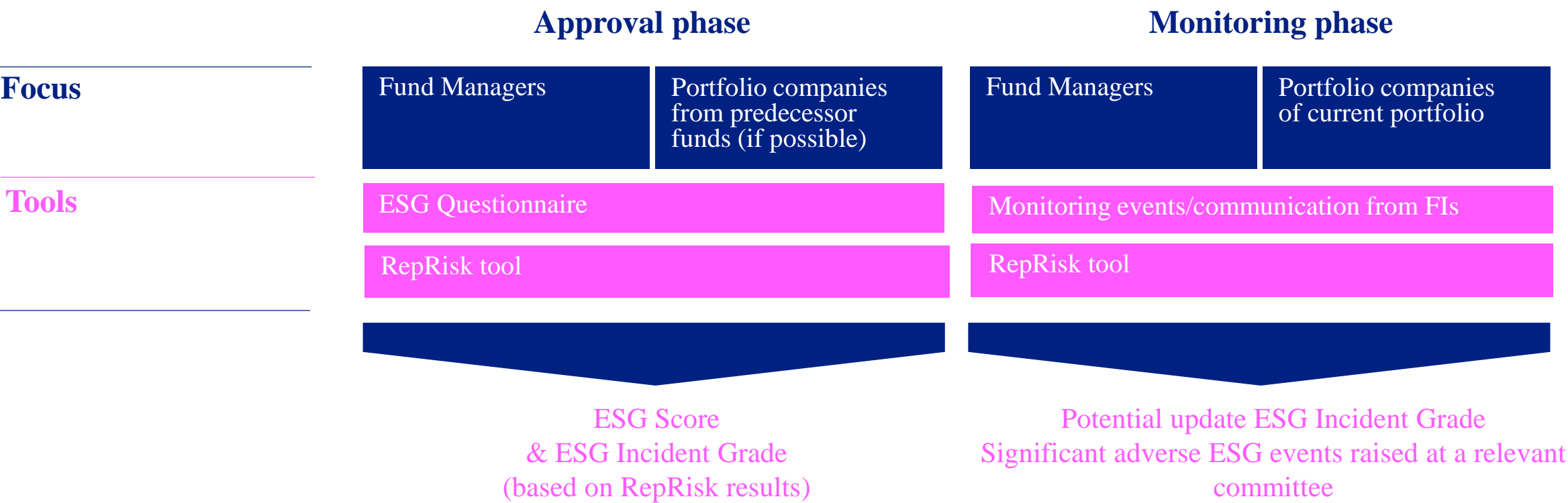
*Equity investment team*

*Due diligence team and risk department*

---

# *ESG*

# Equity ESG assessment process overview (non-infra)





# Equity ESG questionnaire (non-infra)

| Pillar | Compliance with ESG principles                                    | Policies and governance structure   | Diversity and inclusion                      | Climate change integration  | Pre-investment                    | Ownership (and stewardship)   | Reporting to LPs                                      | SFDR Governance                                    |
|--------|---|---|--|---|-----------------------------------|---|---|--|
| Level  | Fund managers   | Fund managers   | Fund managers<br>Portfolio companies         | Fund managers<br>Portfolio companies  | Fund managers                     | Portfolio companies   | Portfolio companies                                   | Fund managers<br>Portfolio companies               |
| Scope  | Awareness of EIF ESG principles and availability of the resources | ESG policies, exclusion of sectors, climate risks, training, remuneration of team | Diversity & inclusion policy, gender targets | Climate strategy, dedicated team, climate scenario analysis, emission targets | ESG screening & DD of investments | Engagement with portfolio companies, monitoring of ESG indicators, incidences | Disclosure of policies, incidences and other ESG info | Good governance practices, ESG performance targets |
|        |   |   |  | +   |                                   |   |   | +  |
|        |   |   |  | Additional PA questions   |                                   |   |   | Principle Adverse Impact                           |

# ESG screening coverage



## Environment

### Environmental Footprint

- Climate change, GHG emissions, and global pollution
- Local pollution
- Impacts on landscapes, ecosystems, and biodiversity
- Overuse and wasting of resources
- Waste issues
- Animal mistreatment

## Social

### Community Relations

- Human rights abuses and corporate complicity
- Impacts on communities
- Local participation issues
- Social discrimination

### Employee Relations

- Forced labor
- Child labor
- Freedom of association and collective bargaining
- Discrimination in employment
- Occupational health and safety issues
- Poor employment conditions

## Governance

### Corporate Governance

- Corruption, bribery, extortion, money laundering
- Executive compensation issues
- Misleading communication
- Fraud
- Tax evasion
- Tax optimization
- Anti-competitive practices

### Cross-cutting Issues

- Controversial products and services
- Products (health and environmental issues)
- Supply chain issues
- Violation of national legislation
- Violation of international standards

# Supporting SMEs and mid- caps across Europe

# small  
businesses  
supported per  
country

