

InvestEU

Climate and Infrastructure

Term Sheet

Climate and Infrastructure funds

Important Disclaimer

This document is for information purposes only. It is an outline of the principal operational guidelines for the product described herein, which are subject to change and non-exhaustive. It is intended to provide a basis for discussions and does not constitute a recommendation, a solicitation, an offer or a binding commitment – either implicit or explicit – on the part of the European Investment Fund (the “EIF”) and/or any other person to enter into one or more transaction(s). Any finance commitment by the EIF can only be made, inter alia, after appropriate approval, conclusion of legal due diligence and finalisation of the required legal documentation. The EIF does not act as adviser to you or owe you any fiduciary duty. The EIF does not make any representations or warranties (whether explicitly or implicitly) with respect to the information contained in this document.

1. Terms of an InvestEU Investment

Size of InvestEU Investment

The EIF investment under InvestEU Climate & Infrastructure into a Financial Intermediary shall generally represent at least 7.5% of the total commitments to such Financial Intermediary raised in the closing at which the InvestEU Investment occurs and no more than 25% of the total commitments of the Financial Intermediary¹.

In particular circumstances the EIF commitment may exceed the 25% of the total commitments to a Financial Intermediary. In deciding the maximum commitment, EIF will consider, inter alia, the following factors:

- a) adherence of the Financial Intermediary to the Gender Criteria,
- b) whether the investment strategy of the Financial Intermediary focuses on one or more EU member states classified as Moderate or Emerging Innovator Countries (“MEICs”),
- c) focus of the investment strategy of the financial Intermediary on the Target Areas
- d) the experience of the management team and the closing in which EIF participates.

InvestEU Investments shall not exceed one hundred million euro (EUR 100,000,000) or the euro equivalent in another eligible currency at the time of a commitment.

Closing

InvestEU Climate & Infrastructure investment shall typically occur at the first closing of the Financial Intermediary. Investments at subsequent closings may be possible under certain conditions if they facilitate the Financial Intermediary reaching its target fund size.

Duration of an InvestEU Investment

The term of the EIF investment typically ranges between 5 and 25 years.

Investor base of a Financial Intermediary

As a general rule, at least 30% of total commitments to a Financial Intermediary shall be made by Third-Party Benchmark Investors in the same risk class as the EIF, or by the EIF or EIB on their own risk and from their own resources, provided that Third-Party Benchmark Investors account for at least 15% of total commitments

The minimum commitment from Third-Party Benchmark Investors may be further reduced under certain circumstances.

Ranking of InvestEU Investments

An InvestEU Investment shall be made into a Financial Intermediary through a standard investment whereby the EIF shall rank *pari passu* with other investors investing in the same risk class (i.e. "like-risk-like-reward"). The InvestEU Investment shall not be subordinated to other investors in any risk class issued by the Financial Intermediary².

¹ Subject to EIF analysis, other conditions may apply.

² Exceptions may apply, subject to EIF and European Commission’s analysis.

**Minimum investment
allocation requirements**

- a) Financial Intermediaries shall commit to invest a minimum amount (the “Minimum Eligible Allocation”) into Eligible Final Recipients (as defined below in section 3). Only Primary Investments and Eligible Secondary Investments shall be eligible for the purpose of calculating the Minimum Eligible Allocation. The Minimum Eligible Allocation shall be equal to at least the higher of:
- i. 50% of the Financial Intermediary’s aggregate invested amounts; and
 - ii. 2 times the amount drawn down from EIF under the InvestEU Investment for investment purposes, capped at 80% of the Financial Intermediary’s aggregate invested amounts.
- b) Financial Intermediaries shall indicate at the time of application, which of the Target Areas(s) are captured by their investment strategy, and shall be required to commit a minimum amount into such Target Areas within each selected Thematic Strategy (the “Minimum Target Allocation”).

The Minimum Target Allocation shall be equal to 2 times the amount drawn down by the Financial Intermediary under the InvestEU Investment for the purpose of investments in Eligible Final Recipients under that Target Area(s), capped at 80% of the Financial Intermediary’s aggregate invested amounts.

2. InvestEU Financial Intermediaries

Establishment of Financial Intermediaries

Financial Intermediaries shall be established (domiciled) in a Member State or in an OCT³.

Independence of management teams

Independent Manager means a team that exercises a significant degree of autonomy with respect to investment and divestment decisions of the transactions forming part of the Individual Portfolio, which may include:

- a) privately owned teams, whereby the investment team owns majority of the voting shares of the entity that is entrusted in investment management or investment advisory of the Individual Portfolio of the Equity Intermediary, or
- b) teams operating within (or with) a corporate or university structure, a foundation, or any financial institution established under any other form, including crowdfunding platform, provided that the management team makes the final investment and divestment decisions independently. In case of the payment by results investment schemes (PBRs) (including social impact bonds investment schemes), such requirement of independence in making investment decisions is met also when the team structuring and/or investing in PbR has a high degree of independence in the investment and/or structuring process from the parent company/organisation. With respect to Equity Intermediaries managed or advised by EIF this condition is deemed to be met.

Transparency of remuneration

The remuneration of the Financial Intermediary's manager or advisor, as the case may be, shall be transparent to its investors. Management fees shall be set at a level that covers operational and management costs in a sustainable way without disturbing the alignment of interests aimed for. The level of management fees shall in principle allow for the execution of the Financial Intermediary's investment strategy.

Addressing Climate Action and Environmental Sustainability

For those Financial Intermediaries applying under the Climate and Infrastructure product, the contribution to Climate Action and Environmental Sustainability⁴ – and to the extent possible, an estimation of the split of such contribution between Climate Action and Environmental Sustainability (“CA&ES”) - will be determined by the EIF during the selection process based on the information received from the Financial Intermediaries, and such cases, will be reflected in the contractual documentation between the EIF and the Financial Intermediary.

³ Overseas Countries and Territories | International Partnerships (europa.eu)

⁴ European Investment Bank Climate Action and Environmental Sustainability - List of eligible sectors and eligibility criteria (eib.org)

The Financial Intermediary's contribution to Climate Action and Environmental Sustainability is measured as the aggregate percentage of the InvestEU supported financing, which contributes to climate and environment activities by matching the activity criteria of the CA&ES, which have been determined in the spirit of the EU Taxonomy for sustainable finance⁵.

The contribution to Climate Action and Environmental Sustainability included in the contractual documentation between the EIF and the Financial Intermediary will be monitored as part of the operational reporting presented by the Financial Intermediary to the EIF and as described in Annex IV to the CEoI.

3. InvestEU Final Recipients

Financial Intermediaries shall select Final Recipients according to their internal rules and procedures, taking due account of the economic viability of projects of Final Recipients.

Eligible Final Recipients

Final Recipients, which are not Excluded Final Recipients, and which satisfy all of the following eligibility criteria:

- a) Are located (in the case of projects) or established and operating (in the case of enterprises) in a Member State or an OCT and
- b) are active in any of the areas listed in section 4 below.

An Eligible Final Recipient, which is an enterprise, shall be considered to be established and operating in a Member State or in an OCT, if at the time of the first investment by the Financial Intermediary, it is:

- a) incorporated in a Member State or in an OCT or has legal presence in a Member State or an OCT through a subsidiary or other form of legal entity and
- b) exercising its main activities in one or more Member States or OCTs.

For Final Recipients in early stage with insignificant operations, the assessment of their main activities shall be based on the Final Recipient's business plan at the time of the first investment.

Excluded Final Recipients

Financial Intermediaries shall not be entitled to invest or issue any drawdown notice relating to an investment:

- a) in Final Recipients which have business activity that consists of an illegal economic activity or substantially focuses on restricted sectors as per the Guidelines on the EIF Restricted Sectors⁶ as amended from time to time; and/or

⁵ EU taxonomy for sustainable activities | European Commission (europa.eu)

- b) in Final Recipients which are in one of the Exclusion Situations (or do not provide the Financial Intermediary with analogous representations as per Annex I).
- c) Final Recipients which have business activity that does not adhere to the Paris alignment restrictions.

4. InvestEU Climate & Infrastructure Thematic Strategies and Target Areas

InvestEU investments are organised into six Thematic Strategies, each addressing a number of Target Areas. Investments by Financial Intermediaries under one or more of the following Target Areas contribute to the Minimum Eligible Allocation requirements for the Thematic Strategy under which that Target Area is listed.

1. Clean Energy Transition - Climate

Investments in funds whose investment strategy targets the following areas including, but not limited to:

Renewable Energy generation, transmission, distribution and storage:

- (i) Production, storage, transmission and distribution infrastructure in wind, solar, geothermal, hydro, bioenergy or other eligible technologies;
- (ii) Decarbonising heating and cooling infrastructure (including networks) in buildings or other facilities;
- (iii) Decarbonisation of manufacturing facilities;
- (iv) digitalising and modernizing energy grids to facilitate a greater uptake of renewables, as well as projects relating to demand-side flexibility and the energy storage.
- (v) Low Carbon and Renewable hydrogen production, storage or distribution

Storage and hybrids renewables:

- (i) Storage solutions, hybrid projects combining renewables with storage (e.g. Solar generation with battery storage, or solar generation with wind generation or pumped storage, etc.) or a portfolio of different RES technologies combined with storage managed under a virtual power plant concepts that provide flexible generation capacity (50% capped covered by RES).
- (ii) Projects providing seasonal storage, (as opposed to short-term balancing) are included.

Renewable infrastructure exposed to demand and price risk:

- (i) Renewable energy generation, storage and transmission projects with revenues coming from merchant risk schemes.
- (ii) Storage projects based on batteries, pumped storage or other eligible technologies.
- (iii) Projects developing the market for corporate Power Purchase Agreements (PPAs) Contract for Differences (CfDs) or others valid

secured revenues contracts that are linked to the construction of with new renewable infrastructure projects

(iv) energy efficiency renovations of existing buildings;

(v) highly energy efficient new buildings exceeding national nearly zero-energy buildings standards

Energy efficiency:

(i) Public and private Infrastructure, heavy and light Industrial and Residential applications (e.g. smart cities) complying with EIF's Energy Efficiency requirements in production, storage and transmission.

(ii) New investments that lead to energy savings and reduce the costs linked to energy consumption.

(iii) Support to energy efficiency projects based on Energy Performance Contracts, under which they guarantee a minimum level of energy savings.

Cross-border energy infrastructure / projects of common interest (PCIs), including:

Construction or upgrades aiming at completing and connecting the European internal energy market and for reaching the EU's energy policy objectives of affordable, secure and sustainable energy.

Projects that support the decarbonisation of and substantial reduction of emissions of energy-intensive industries, including:

(i) Closed-loop systems and deployment of innovative low-carbon emission technologies including energy storage, carbon capture, transport, storage and/or use (CCUS) as well as operations that promote the decarbonisation of the energy production and distribution chain by phasing out the use of coal and oil, and gradual substitution of natural gas by low-carbon gases.

(ii) Carbon capture, transport, storage and/or use (CCUS) technologies and infrastructure for the production of renewable electricity, heat and cold, low-carbon gases (such as hydrogen) or industrial processes, as well as bio-energy plants and manufacturing facilities enabling the energy transition, or carbon removals;

(iii) Offshore development for decarbonisation, including floating wind farms, cabling for an offshore grid with a particular focus on AC connections from turbines to hubs which then use DC interconnectors to shore and devices for wave and tide energy;

(iv) Any other infrastructure investments, including application of innovative technologies that have a positive contribution to decarbonisation and energy transition covered by InvestEU priorities under the SIW

2. Sustainable Transport

Investments in funds whose investment strategy targets sustainable and safe transport infrastructure, superstructures, mobility solutions and equipment, and innovative technologies, in accordance with the EU's

transport priorities, the Sustainable and Smart Mobility Strategy and the commitments taken under the Paris Agreement, including, but not limited to:

General transport infrastructure, in particular with respect to:

- (i) infrastructures and operations, equipment and innovative technologies, with focus on alternative fuel infrastructure, transshipment infrastructure and superstructures, dedicated infrastructure for urban public transport and for active modes (e.g. walking and cycling); and/or
- (ii) measures designed to upgrade, achieve or maintain compliance with environmental and safety standards (e.g., in accordance with Article 34 of the TEN-T Regulation), and projects to maintain, rehabilitate or upgrade existing transport infrastructure; and/or
- (iii) freight transport services in accordance with Article 32 of the TEN-T Regulation, including heavy mass-transit infrastructure, and other collective passenger transport services and last mile sections allowing freight or passenger traffic to be shifted to more sustainable transport modes such as rail transport, public/collective transport, inland navigation or short sea shipping; and/or
- (iv) projects that provide for the use of at least two different modes of transport.

Cleaner, Safe and Smart Mobility, in particular with respect to:

- (i) sustainable urban mobility (including urban air mobility), smart mobility, including shared mobility, mobility as a service and green city logistics;
- (ii) deployment of recharging and refuelling infrastructure supplying electricity, hydrogen or future low carbon fuels or where necessary, as a transitional solution, gas;
- (iii) urban nodes, in accordance with Article 30 of the TEN-T Regulation;
- (iv) Digital transport management systems, including telematic applications systems, including for safety purposes, in accordance with Article 31 of the TEN-T Regulation; whereby traffic management systems cover, inter alia, projects for the deployment of the ITS, RIS, ERTMS, U-space airspace and SESAR systems, in line with Article 31 of the TEN-T Regulation, other digital transport infrastructure and other smart and sustainable mobility projects including for infrastructure capacity planning and management;
- (v) railway infrastructure, other rail projects
- (vi) renewal, retrofitting and deployment of mobile assets (rail rolling stock, road transport vehicles, aircraft and vessels) and related equipment, including at pre-commercial level or early commercialisation stage and related infrastructure;
- (vii) fleet renewal or acquisition to stimulate demand for safe and clean mobile assets, that reduce CO₂, directly and indirectly, and pollutant emissions in line with or beyond EU standards;
- (viii) cleaner, safer and smart maritime and inland waterway transport (including the prevention of oil-spills from ships), airport and port infrastructure and related services;

- (ix) motorways of the sea as provided for in Article 21 of the TEN-T Regulation;
- (x) production, storage and transmission of sustainable aviation and waterborne fuels including advanced biofuels and renewable fuels of non biological origin provided that the requirements of the Renewable Energy Directive on sustainability of biogas are complied with and including future low-carbon fuels;
- (xii) smart and sustainable mobility projects in urban and rural areas targeting road safety, accessibility for all users in accordance with Article 37 of the TEN-T Regulation,;
- (xiii) projects targeting emission and noise reduction and the development and deployment of new transport technologies and services;
- (xiv) mobile assets powered by electricity or by low-carbon and Low carbon/renewable hydrogen, and the related supporting infrastructure;
- (xv) projects deploying innovative technologies in the transport sector utilising renewable energy, whereby “innovative” has the meaning in accordance with Article 33 of the TEN-T Regulation.

The development of the trans-European transport network (TEN-T), in particular with respect to:

Investments in funds whose investment strategy targets sustainable and safe transport infrastructure, superstructures, mobility solutions and equipment, and innovative technologies, in accordance with the EU’s transport priorities, the Sustainable and Smart Mobility Strategy and the commitments taken under the Paris Agreement, including, but not limited to:

a) General transport infrastructure, in terms of:

- (i) infrastructures and operations, equipment and innovative technologies, with focus on alternative fuel infrastructure, transshipment infrastructure and superstructures, dedicated infrastructure for urban public transport and for active modes (e.g. walking and cycling); and/or
- (ii) measures designed to upgrade, achieve or maintain compliance with environmental and safety standards (e.g., in accordance with Article 34 of the TEN-T Regulation), and projects to maintain, rehabilitate or upgrade existing transport infrastructure; and/or
- (iii) freight transport services in accordance with Article 32 of the TEN-T Regulation, including heavy mass-transit infrastructure, and other collective passenger transport services and last mile sections allowing freight or passenger traffic to be shifted to more sustainable transport modes such as rail transport, public/collective transport, inland navigation or short sea shipping; and/or
- (iv) projects that provide for the use of at least two different modes of transport.

b) Cleaner, Safe and Smart Mobility, including:

- (i) sustainable urban mobility (including urban air mobility), smart mobility, including shared mobility, mobility as a service and green city logistics;

- (ii) deployment of recharging and refuelling infrastructure supplying electricity, hydrogen or future low carbon fuels or where necessary, as a transitional solution, gas;
- (iii) urban nodes, in accordance with Article 30 of the TEN-T Regulation;
- (iv) Digital transport management systems, including telematic applications systems, including for safety purposes, in accordance with Article 31 of the TEN-T Regulation; whereby traffic management systems cover, inter alia, projects for the deployment of the ITS, RIS, ERTMS, U-space airspace and SESAR systems, in line with Article 31 of the TEN-T Regulation, other digital transport infrastructure and other smart and sustainable mobility projects including for infrastructure capacity planning and management;
- (v) railway infrastructure, other rail projects
- (vi) renewal, retrofitting and deployment of mobile assets (rail rolling stock, road transport vehicles, aircraft and vessels) and related equipment, including at pre-commercial level or early commercialisation stage and related infrastructure;
- (vii) fleet renewal or acquisition to stimulate demand for safe and clean mobile assets, that reduce CO₂, directly and indirectly, and pollutant emissions in line with or beyond EU standards;
- (viii) cleaner, safer and smart maritime and inland waterway transport (including the prevention of oil-spills from ships), airport and port infrastructure and related services;
- (ix) motorways of the sea as provided for in Article 21 of the TEN-T Regulation;
- (x) production, storage and transmission of sustainable aviation and waterborne fuels including advanced biofuels and renewable fuels of non biological origin provided that the requirements of the Renewable Energy Directive on sustainability of biogas are complied with and including future low-carbon fuels;
- (xii) smart and sustainable mobility projects in urban and rural areas targeting road safety, accessibility for all users in accordance with Article 37 of the TEN-T Regulation;
- (xiii) projects targeting emission and noise reduction and the development and deployment of new transport technologies and services;
- (xiv) mobile assets powered by electricity or by low-carbon and Low carbon/renewable hydrogen, and the related supporting infrastructure;
- (xv) projects deploying innovative technologies in the transport sector utilising renewable energy, whereby “innovative” has the meaning in accordance with Article 33 of the TEN-T Regulation.

c) The development of the trans-European transport network (TEN-T), in particular:

- (i) the core and comprehensive network in accordance with Chapters II and III of the TEN-T Regulation, including relating to urban nodes,

maritime ports, inland ports, airports and rail-road terminals of the core network as defined in Annex IIB to the TEN-T Regulation;

(ii) cross-border links of the comprehensive network in accordance with Chapter II of the TEN-T Regulation;

(iii) sections of the comprehensive network located in outermost regions in accordance with Chapter II of the TEN-T Regulation;

(iv) projects of common interest in order to connect the trans-European network with infrastructure networks of neighbouring countries as defined in Article 8(1) of the TEN-T Regulation; and

(v) projects in the TEN-T core network, identified in the core network corridor work plans that address missing links, bottlenecks or cross-border connections.

Targeted investments in sustainable transport may deploy innovative technologies.

3. Environment and Resources

Natural capital and circular economy infrastructure, in particular with respect to:

(i) support (via projects and accompanying services) to drinking water supply, sanitation (such as infrastructure for the collection and treatment of waste water, carbon neutral and resource recovery wastewater treatment plants), river restoration, flood protection, networks efficiency, leakages reduction, water use and reuse, coastal infrastructure, and other water-related green infrastructure;

(ii) support to conservation, restoration, management and enhancement of natural capital (e.g. biodiversity, ecosystems) to improve ecosystem services and/or adaptation benefits (including by means of green and blue infrastructure projects);

(iii) support to circular economy in line with the EC Circular Economy Action Plan and waste prevention programmes (based on the revised Waste Framework Directive), where investments should consider the entire life cycle of products and/or materials:

the establishment and support of reuse and repair networks, the setting up of functional waste separation and collection schemes, and material recovery and recycling facilities for end-of-life products, packaging, scrap and biowaste.

transition to circular design, production, and use of products and/or materials, circular innovations, support tools and services, circular resource management, building and construction in urban areas and in regions, SMEs competitiveness, digitalisation, resource efficient and low carbon business models, sustainable consumption, etc.;

(iv) waste management infrastructure, i.e. infrastructure necessary to support the transition to a more circular economy in Member States notably shifting upwards in the implementation of the EU waste hierarchy

Bioeconomy, in particular with respect to:

(i) sustainable investments pertaining to primary production and its up and down value chains in food, forestry, fisheries, aquaculture and bio-based industries, relying on sustainably produced raw materials (e.g. wood, algae, residues of agriculture, forestry, fisheries and aquaculture), side streams, residues and bio-waste and their sustainable use and transformation into bio-based products that help replacing fossil resources, while not competing with food;

(ii) sustainable advanced bioenergy production (including bio-fuels), that can be promoted, provided that it is based on waste and residues that can be extracted in a sustainable manner without negative impact on the environment, in particular soil organic carbon;

(iii) solutions to the environment's plastic pollution problem, e.g. by developing biodegradable, compostable and bio-based, not reliant on food/feed feedstock, alternatives to plastic.

(iv) enhancement and restoration of eco-systems and their services, promote the conservation, restoration, management and enhancement of natural capital for biodiversity and adaptation benefits, including by means of green and blue infrastructure projects.

(v) rehabilitation of industrial sites (including contaminated sites) and restoration for sustainable use;

(vi) projects aiming at climate change adaptation and increasing the resilience to current and future climate, including the protection of low-lying areas, coastal areas and other measures related to sea-level rise, flood prevention, improved and sustainable use of water supply and drought prevention, and adaptation of infrastructure to extreme temperature;

(vii) projects that implement circular economy systems, including the sustainable use of raw materials, including projects integrating resource efficiency in the production and product life cycle;

Targeted investments in Environment and resources may deploy innovative technologies.

4. Digital Connectivity & Data Infrastructure

Digital Connectivity & Data Infrastructure

(i) Digital connectivity, including support to projects in the field of Gigabit connectivity and Fibre-based networks and energy-efficient 5G infrastructure with the aim to deploy safe and secure digital networks and services, and support critical infrastructures, as well as in strategic backbone networks (submarine cables, HPC interconnections, quantum secure infrastructures etc.).

(ii) Data Infrastructure, including support to secure and sustainable cloud and edge infrastructures, middleware platforms and services (including cloud market places), integrated service platforms, data storage and data-sharing tools, architectures and governance mechanisms for thriving data sharing and data processing ecosystems.

(iv) Online platforms & Media infrastructure, including support to platforms for immersive, games and other creative content.

5. Social Infrastructure

Social Infrastructure

(i) health and care (including hospitals, primary care centres, integrated healthcare facilities and other health infrastructure and connected health services);

(ii) social services (including at community based-level), such as long-term care, targeted social services, integrated social services' infrastructure, infrastructure and services enabling inclusion of persons with disabilities and persons at risk of poverty and social exclusion.

(iii) educational and training infrastructure, including student housing (including digital equipment), schools, Vocational Education and Training facilities and digital equipment and infrastructure supporting adult learning, upskilling and reskilling;

(iv) affordable social housing;

(v) enabling services, such as employment and training services, education services, ECEC early intervention service.

6. Space infrastructure

Space infrastructure

The development, upgrade and greening of new and existing space and ground infrastructure, including, but not limited to, manufacturing, assembly, testing, operation, maintenance and launch facilities (e.g. green materials and propellants, re-usable components, green propulsion systems, etc.) and solutions for spacecraft de-orbiting and de-commissioning.

5. Miscellaneous

Monitoring and Audit

The Financial Intermediaries and the relevant Final Recipients must agree to allow and to provide access to documents and premises related to the relevant InvestEU Investment for the representatives of the European Commission (including the European Anti-Fraud Office (OLAF), the European Public Prosecutor's Office (EPPO), the European Court of Auditors, EIF, agents of EIF, EIB and any other European Union institution or European Union body which is entitled to verify the use of the InvestEU Investment and any other duly authorized body under applicable law to carry out audit or control activities. To that effect, the Financial Intermediaries shall also include appropriate provisions in each agreement with the Final Recipients.

Sustainability Proofing

The EIF will perform – with support from the EIB – the Sustainability Proofing assessment of all funds according to the technical guidance on sustainability proofing for the InvestEU Fund, infrastructure funds.⁷ The sustainability proofing results will be summarised in the Environmental and Social Datasheet (ESDS)⁸.

In addition, the infrastructure funds benefitting from InvestEU Climate and Infrastructure will apply the following requirements to all their investments.

“Environmental, Climate and Social Requirements”, or “ECS Requirements” are the environmental and social obligations to be undertaken to ensure that all of the projects comply with i) the EIB Environmental and Social Standards and the InvestEU Sustainability Proofing guidance requirements, (ii) applicable Do No Significant Harm technical criteria of the EU Taxonomy in force; (iii) the Minimum Social Safeguards; (iv) the list of EIB Group Excluded Activities⁹, (v) the list of Unsupported Activities, (vi) applicable EU legislation and/or national legislation related to environment, climate and social issues, and (vii) any other requirements established by the E&S Management System in accordance to the EIB Group Environmental and Social Policy¹⁰.

Other Information

Financial Intermediaries may be requested to provide, from time to time, further information related to the Final Recipients covered by InvestEU in the context of programme evaluations and other reports to be prepared by the EIF. To this end, the Financial Intermediaries shall require the Final Recipients to provide certain information on the basis of a template provided by the EIF. The provision of such information by Final Recipients shall (i) be subject to applicable laws, including without limitation in relation to data protection and banking secrecy, and (ii) not be a mandatory requirement nor constitute a condition precedent to the relevant transaction or any eligibility criteria.

⁷ [Commission Notice – Technical guidance on sustainability proofing for the InvestEU Fund \(europa.eu\)](#)

⁸ *Examples available online:* [Public register - find a document \(eib.org\)](#)

⁹ [Excluded Activities \(eib.org\)](#)

¹⁰ *The EIB Group Environmental and Social Policy*

Visibility	<p>Financial Intermediaries shall explicitly inform Final Recipients that financing is made possible through the support of InvestEU, using, unless otherwise agreed with the EIF, the form “<i>This operation benefits from support from the European Union under the InvestEU Fund</i>”.</p> <p>Financial Intermediaries shall reflect, and shall contractually require Final Recipients to reflect the participation of the EU in all press releases, communications material, social media and contractual documentation related to the operation.</p>
Publication	<p>The EIF and the European Commission may publish on its website a list of Financial Intermediaries containing, for each Financial Intermediary the name, address and the amount of financial support received under InvestEU.</p> <p>The EIF and the European Commission may also publish on its website a list of Final Recipients, containing, for each Final Recipient, its name, address and the type of finance received under InvestEU¹¹.</p>
Record Keeping	<p>The Financial Intermediary shall maintain or be able to produce all the documentation related to the implementation of the InvestEU Investment for a period of five (5) years following the termination of the InvestEU Investment. The Financial Intermediary shall require each Final Recipient to maintain and be able to produce all documentation related to the investment for a period of five (5) years following the termination of the investment in such Final Recipient, where such records are not also kept by the Financial Intermediary.</p>
Protection of Personal Data	<p>Financial Intermediaries shall comply with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to processing of personal data and on the free movement of such data.</p> <p>Any personal data provided by the applicants shall be processed by EIF in compliance with its Data Protection Statement (EIF statement on the processing operations of applicants and Investment Funds’ personal data, as published on the EIF’s website¹²) and Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies offices and agencies and on the free movement of such data, as amended from time to time.</p>
Other requirements	<p>Financial Intermediaries and Final Recipients:</p> <ul style="list-style-type: none"> • Shall not use any investment under InvestEU Climate & Infrastructure to support any of the excluded activities as described in Annex V, Section B of the InvestEU Regulation, • Shall not be established in a NCJ unless the operation is physically implemented in the relevant NCJ and does not present any indication that it supports actions that contribute to Targeted Activities under the EIB Group NCJ Policy;

¹¹ Financial Intermediaries and Final Recipients may request, prior to receiving support under InvestEU, and under certain conditions, for this disclosure requirement to be waived.

¹² http://www.eif.org/attachments/eif_data_protection_statement_financial_intermediaries_due_diligence_en.pdf

- Shall undertake to comply with all applicable laws and regulations and the relevant applicable international and European Union standards and legislation on the prevention of money laundering, the fight against terrorism, tax fraud, tax evasion and artificial arrangements aimed at tax avoidance; and, therefore, not support actions that contribute to tax evasion or finance artificial arrangements aimed at tax avoidance;
- Shall acknowledge the EIB Group Anti-Fraud Policy¹³ which sets out the policy of EIF for preventing and deterring corruption, fraud, collusion, coercion, obstruction, money laundering and terrorist financing as amended from time to time, and shall take appropriate measures (as may be further specified in the relevant agreement) to (i) facilitate implementation of such policy as well as to (ii) undertake to support investigations performed by the EIF or the European Investment Bank, the European Public Prosecutor's Office (EPPO), or the European AntiFraud (OLAF), or the European Court of Auditors (ECA) in connection with actual or suspected prohibited conduct;
- Shall ensure via contractual provisions that no funds or economic resources are made available directly or indirectly to, or for the benefit of, persons or entities designated by Restrictive Measures¹⁴.

¹³ <https://www.eib.org/en/publications/anti-fraud-policy>

¹⁴ As part of its due diligence process, EIF will analyse and exclude any applicant if it or any of its ultimate beneficial owners/key persons are subject to UN/EU/OFAC/UK restrictive measures in relation to Russia as well as the non-government controlled territories of Ukraine.

6. Definitions

Whenever used in this Term Sheet, the following terms shall have the meanings opposite them. Any capitalised items not defined in this Annex have the meaning given to them in the Open Call for Expression of Interest.

Eligible Secondary Investment	<p>means an investment other than Primary Investment, that:</p> <ul style="list-style-type: none"> a) with respect to IPO and post IPO investments, constitutes a purchase of the traded stock by the Financial Intermediary from other investors b) with respect to Fund-of-Funds, an acquisition of an investment in a Portfolio Fund that has been made by the Fund-of-Funds from other investors.
Exclusion Situations	<p>Final Recipients and Financial Intermediaries that are in one of the situations below are deemed to be in an Exclusion Situation:</p> <ul style="list-style-type: none"> a) they are bankrupt, are subject to insolvency, are being wound up, are having their affairs administered by a liquidator or by the courts, in this context are in an arrangement with creditors, are having their business activities suspended or a standstill (or equivalent) agreement has been signed with creditors and validated by the competent court when required by the applicable law, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations; b) in the past five years, they have been the subject of a final judgment or final administrative decision for being in breach of their obligations relating to the payment of taxes or social security contributions in accordance with the applicable law and where such obligations remain unpaid unless a binding arrangement has been established for payment thereof; c) in the past five years, they or persons having powers of representation, decision-making or control over them have been convicted by a final judgement or a final administrative decision for grave professional misconduct, where such conduct denotes wrongful intent or gross negligence, which would affect their ability to implement InvestEU and which is for one of the following reasons: <ul style="list-style-type: none"> i. negligently providing misleading information that may have a material influence or fraudulently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract or an agreement; ii. entering into agreements with other persons aimed at distorting competition; iii. attempting to unduly influence the decision-making process of the contracting authority during the relevant

	<p>award procedure (as this term is defined in the Financial Regulation);</p> <ul style="list-style-type: none"> iv. attempting to obtain confidential information that may confer upon it undue advantages in the relevant award procedure (as this term is defined in the Financial Regulation); <p>d) in the past five years, they or persons having powers of representation, decision-making or control over them have been the subject of a final judgment for:</p> <ul style="list-style-type: none"> i. fraud; ii. corruption; iii. participation in a criminal organisation; iv. money laundering or terrorist financing; v. terrorist offences or offences linked to terrorist activities, or inciting, aiding, abetting or attempting to commit such offences; vi. child labour and other forms of trafficking in human beings; <p>e) they are subject to a decision on exclusion contained in the early detection and exclusion system database (the EDES database available at the official website of the EU¹⁵), set up and operated by the European Commission;</p> <p>f) in the past five years, they have been subject to a final judgement or administrative decision by a national court or authority that they were created with the intent to illegally circumvent fiscal, social or any other legal obligations in the jurisdiction of their registered office, central administration or principal place of business;</p> <p>provided that notwithstanding the above, EIF may decide not to exclude a Financial Intermediary where the Financial Intermediary can provide evidence that remedial measures have been adopted to demonstrate its reliability despite the existence of a ground for exclusion, or where it is indispensable to ensure the continuity of the service, for a limited duration and pending the adoption of remedial measures, or where an exclusion would be disproportionate taking into account the circumstances.</p>
Final Recipient	<p>means an enterprise, a special purpose vehicle or another final recipient of the funding provided directly or indirectly by the Financial Intermediary, including joint ventures, spin-offs, spin-outs, technology transfer projects or technology rights.</p>

¹⁵ https://ec.europa.eu/info/strategy/eu-budget/how-it-works/annual-lifecycle/implementation/anti-fraud-measures/edes/database_en

Financial Intermediary	means an investment fund, a Fund-of-Funds, a (co-) investment scheme in any form (including managed accounts and other types of contractual arrangements), and a special purpose vehicle, in any form, established or to be established, that undertakes long term risk capital investments in the form of equity, preferred equity, hybrid debt-equity Instruments, other type of mezzanine financing, and/or debt in case of Payment by Result Investment Schemes and/or Social Impact Bond investment schemes, but excluding entities targeting buy-out (or replacement capital) intended for asset stripping.
Financial Regulation	means Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EC, Euratom) No 966/2012 .
Fund Agreement	means, in relation to each InvestEU Investment, the agreement whereby the EIF commits to invest in a Financial Intermediary and/or alongside a Financial Intermediary.
Fund-of-Funds	means an Equity Intermediary holding or targeting to invest in Portfolio Funds.
Gender Criteria	A Financial Intermediary is considered to adhere to the Gender Criteria if it satisfies at least one of the following criteria: <ul style="list-style-type: none"> a) Its management team is composed of at least one third of female partners¹⁶, or b) Its senior investment team provides for at least 40% of female representation, or c) At least 40% of female representation is provided in its investment committee
InvestEU Investment	means the investment made by the EIF in the Financial Intermediary, under the terms of the Fund Agreement..
Know your Customer	The Financial Intermediary shall, prior to the signature, disclose to the EIF information on its beneficial ownership and at any time thereafter, promptly inform the EIF of any change in its beneficial ownership.
MEIC(s)	means Member States who are classified as Moderate and Emerging Innovator countries, according to the European Innovation Scoreboard 2021 ¹⁷ , such countries being: Bulgaria, Croatia, Cyprus, Czechia, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, and Spain.
Minimum Eligible Allocation	means the minimum aggregate amount to be invested in Eligible Final Recipients by the Financial Intermediary, as further defined in section 2.

¹⁶ i.e. one female partner when the management team is composed of up to 4 partners, otherwise two female partners.

¹⁷ [ET-AY-21-001-EN-N \(3\).pdf](#)

Minimum Target Allocation	means with respect to one or more Target Areas ¹⁸ the minimum amount to be invested by the Financial Intermediary, as further defined in section 2.
Non-Compliant Jurisdiction (NCJ)	<p>means a jurisdiction:</p> <ul style="list-style-type: none"> a) listed in Annex I of the European Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes; b) included in the OECD/G20 list of jurisdictions that have not satisfactorily implemented the tax transparency standards; c) listed in the Annex of the Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies; d) rated as “partially compliant” or “non-compliant”, including corresponding provisional ratings, by the Organisation for Economic Cooperation and Development and its Global Forum on Transparency and Exchange of Information for Tax Purposes against the international standard on exchange of information on request; e) included in the Financial Action Task Force statement “High risk Jurisdictions subject to a Call for Action”); and/or f) included in the Financial Action Task Force statement “Jurisdictions under Increased Monitoring”, <p>in each case as such statement, list, directive or annex may be amended and/or supplemented from time to time.</p> <p>Please refer to the EIF’s website¹⁹ for an FAQ containing the most updated reference lists of NCJs or enquire with the EIF for confirmation of NCJ status.</p> <p>The Financial Intermediary shall not be established in a NCJ, unless the operation is physically implemented in the relevant NCJ and does not present any indication that it supports actions that contribute to Targeted Activities under the EIF Group NCJ Policy.</p>
Overseas Country or Territory (“OCT”)	means a country or territory as set out in Annex IIB to the Treaty on the Functioning of the European Union ²⁰
Primary Investment	means an investment (including in the form of debt) in a Final Recipient resulting in financing flowing directly or indirectly into the Final Recipient during the duration of the investment. For avoidance of doubt it includes: (i) secondary issuances made by Final Recipients post IPO, (ii) buy outs or replacement capital not intended for asset stripping involving, directly or indirectly, flow of financing to the Final Recipient

¹⁸ Where a Financial Intermediary’s strategy targets more than one Target Area, this requirement may apply to one Target Area, or to a group of Target Areas, as commercially agreed between EIF and the Financial Intermediary.

¹⁹ <https://www.eib.org/en/about/compliance/tax-good-governance/faq>

²⁰ [C_20162022EN.01033401.xml \(europa.eu\)](https://eur-lex.europa.eu/eli/reg/2016/2022/oj)

	(e.g. including inter alia from third-party providers during the duration of the investment).
Restrictive Measures	Means, without limitation, restrictive measures adopted pursuant to the Treaty on European Union (TEU) or to the Treaty on the Functioning of the European Union (TFEU).
Targeted Activities under the EIB Group NCJ Policy	means (i) criminal activities such as money laundering, financing of terrorism, tax crimes (i.e. tax fraud and tax evasion) and (ii) tax avoidance practices (i.e. wholly artificial arrangements aimed at tax avoidance).
Target Areas	means specific sectors of activity addressed in the investment strategy of the Financial Intermediary as further described in section 3 of this termsheet.
Third-Party Benchmark Investors	<p>means the following entities:</p> <ul style="list-style-type: none"> a. majority privately owned financial institutions (investing at own risk and from own resources), b. Funds-of-Funds that: (i) are classified as Alternative Investment Funds (AIFs) according to the AIFMD directive, and (ii) are managed or advised by the Independent Management Teams, and (iii) whose majority sponsors are not Member States or National Promotional Banks or Institutions or EIF or EIB, c. private endowments & foundations, d. family offices & business angels (including joint investment vehicles set-up by/with business angels), e. majority privately owned corporate investors, f. insurance companies, g. pension funds, h. private individuals, i. academic institutions /including private research institutions and universities/ investing out of their own resources stemming from their commercial activities <p>in as much as they do not receive any public incentive for the purpose of this investment.</p> <p>In assessing compliance with the requirements of this definition, the EIF may rely on a declaration, representation or undertaking from the relevant entity.</p>