



Luxembourg, 18/07/2024

Environmental and Social Data Sheet

Overview

Project Name:	<i>Gore Street Capital EU Fund</i>
Project Number:	<i>2023-0954</i>
Country:	<i>Regional - EU countries</i>
Project Description:	<i>Fund targeting investments in greenfield utility scale battery energy storage mostly in the EU.</i>
EIA required:	<i>Yes (potentially for some investments)</i>
Project included in Carbon Footprint Exercise ¹ :	<i>No</i>

Environmental and Social Assessment

Environmental Assessment

The operation aims to generate environmental benefits by supporting sustainable energy infrastructure that helps to mitigate climate change. The operation concerns the EIF's participation in the Gore Street Capital EU Fund (the Fund). The Fund will pursue investments in greenfield utility-scale battery energy storage systems. A minimum of 80% of the investments will take place within the EU with a primary focus on Ireland, Germany, Poland, Italy and Spain. The remainder of the investments outside the EU will potentially take place in OECD countries (UK and USA).

All Fund investments are expected to have limited negative environmental and social impacts. Some of the projects to be financed by the Fund are expected to fall under Annex I or II of the Environmental Impact Assessment (EIA) Directive 2011/92/EU as amended by Directive 2014/52/EU. In these cases, the national competent authority would determine the need for an EIA, based on Annex III of the same Directive.

Regarding the investments in OECD countries mentioned above, if they were located within the EU, they would fall under Annex II of Directive 2014/52/EU amending EIA Directive 2011/92/EU, requiring the competent authorities to determine whether an EIA is required. The Manager will ensure that the ESIA's of the projects are performed as and when required by EIB standards.

If an underlying investment is subject to an E(S)IA, the Manager will be required to publish the related EIA studies on its website or provide a website link to the location where these studies are published for access by stakeholders. The Manager will ensure that the project incorporates all mitigating measures in line with the obligations included in the E(S)IA process.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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The Manager will be required to verify that none of the schemes has a significant negative impact on any site of nature conservation importance, including sites protected under the "Habitats" and "Birds" Directives (92/43/EEC and 2009/147/EC respectively) and the associated Natura 2000 network (where applicable), national legislation and international agreements.

The Manager will ensure that all projects are in compliance with national and European legislation, as well as the EIB's E&S standards. The Manager has adequate capacities to assess, mitigate and manage E&S impacts of its investments. The Manager has an Environmental, Social and Governance (ESG) Policy & Procedures in place that describe the Fund's ESG commitments and set out a framework for considering and integrating ESG risk and impacts into the Fund's decision-making process. A description of the Fund's Environmental and Social Management System (ESMS) includes its ESG Policy. The Fund considers ESG factors at every stage of the investment process, from pre-investment analysis and screening, throughout due diligence, asset ownership and management, to exit preparation and exit.

Currently the Manager is working on enhancing its ESMS in line with EIBG requirements. As a condition for signature, the Manager will be required to provide its updated ESMS with detailed procedures and guidelines that are in line with the EIBG environmental and social requirements, as set out in EIB Environmental and Social (E&S) Standards. In addition, the E&S team will develop templates and tools to guide and keep records of the assessment and monitoring.

Furthermore, the Manager will nominate an Environmental and Social Compliance (ESC) officer. The nominated officer will have the necessary experience to take responsibility for ESC related decisions concerning the ESMS development and implementation, and its adequate dissemination. The investment team will be supported and supervised by the ESC officer throughout the investment cycle.

Climate Assessment

The investments in battery energy storage will contribute to mitigating climate change by facilitating the integration of an increasing share of renewables and thereby contribute to reducing the CO₂ externality from the power sector. The Fund has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals and against the policies set out in the Climate Bank Roadmap². In accordance with the EIBG requirements, the Fund will ensure Paris Alignment of all its investments, as part of the Side Letter with the EIF.

EIB Paris Alignment for Counterparties (PATH) Framework

The Manager is in scope of the PATH Framework, and it is screened in as it has assets under management higher than EUR 650m. The fund manager will be required to report – at the latest 12 months after signature – in line with the TCFD recommendations, including in particular information in relation to transition and physical climate risk.

² EIB Group Climate Bank Roadmap 2021-2025



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Social Assessment

There are no material issues identified at this stage in relation to social aspects in the expected pipeline. However, the ESMS will duly define the policies and procedures related to social aspects that will apply to the investments.

In particular, the ESMS will include compliance with national laws and the principles and standards of ILO conventions³, in particular prohibition of child or bonded labour, non-discrimination and equal opportunity of employment, occupational health and safety, as well as EIB Standards. The Fund will be required to undertake reasonable efforts to mitigate risks of forced labour in the supply chain. This will include, on a best effort basis, enhanced due diligence and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub projects.

Public Consultation and Stakeholder Engagement

As required by national and EU laws and EIB E&S standards, the fund manager shall ensure that a consultation process with relevant stakeholders takes place and that an appropriate grievance mechanism is in place, including the development of a communication mechanism with external stakeholders as part of its Grievance Redress Mechanism for the underlying investments. The fund manager will also ensure that a grievance mechanism at Fund level is in place. Both mechanisms will be described in the ESMS.

Other Environmental and Social Aspects

The Fund intends to be classified as an Article 8 SFDR fund and will provide disclosure under Regulation (EU) 2019/2088 on Sustainability-Related Disclosures in the financial service sector (SFDR – Sustainable Finance Disclosure Regulation).

Conclusions and Recommendations

During appraisal, it has been verified that the Manager has relevant capacity and expertise, has understood the EIBG E&S requirements and will be willing and capable to implement them. Although the Manager has ESG procedures integrated in the overall quality management system, it will nonetheless set up a stand-alone ESMS based on the existing adequate procedures as part of its continuous commitment to improve its systems and procedures. The fund manager will have a designated ESC officer to oversee all the environmental and social activity aspects.

The Manager will commit to the following undertakings:

- Improve ESG framework and processes.
- Add a list of excluded activities, in line with EIBG requirements, to the ESG policy documents
- Create a grievance / external communication mechanism at the Fund level.
- Publish ESG related policy documents on the Fund's website.
- Appoint a dedicated ESC officer responsible for ESG at the board level.

³ International Labour Organisation



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- Undertake reasonable efforts to mitigate risks of forced labour in the supply chain. This will include, on a reasonable effort basis, enhanced due diligence and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub projects.

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