

Luxembourg, 20/03/2025

Environmental and Social Data Sheet

Overview

Project Name:	QUAERO EUROPEAN INFRASTRUCTURE FUND III
Project Number:	2024-0464
Country:	Regional - EU countries
Project Description:	Generalist fund focused on energy, mobility, digital infrastructure, water, circular economy/solid waste management, social infrastructure sectors across the EU.
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The operation concerns the participation of the EIF in the Quaero European Infrastructure Fund III. The Fund will seek to pursue investments mainly in the renewable energy, energy efficiency, transport, digital infrastructure, water and wastewater, circular economy/solid waste management and social infrastructure sectors. In terms of geographical coverage, the Fund will have a mandate to invest in all EU 27 Member States, with the possibility of investing up to 15% in specific OECD countries (UK, Switzerland, Norway).

The Fund Manager has undertaken to develop an Environmental and Social Management System (ESMS) in line with the EIBG's environmental and social requirements. In addition, the Fund Manager has appointed a Head of ESG, who will be responsible for ESMS adequate dissemination to and application by the investment team throughout the investment cycle. Finally, one of the senior partners will be the ultimate responsible for the ESMS and will have a veto right regarding environmental and social matters in the Fund's Investment Committee. In order to strengthen the ESG capabilities of the Fund, a dedicated independent E&S advisor, with relevant experience in the targeted infrastructure sectors in Europe and OECD countries, will support the Head of ESG and ESG Team in overseeing the development and implementation of the ESMS (including ESG & impact tools and processes) and support the investment team with the E&S screening / due diligence / monitoring processes.

The Fund Manager has opted to classify the Fund as an Article 9 Fund under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial service sector (Sustainable Finance Disclosure Regulation or SFDR) and will provide public reporting in line with the TCFD requirements and thus in line with the Bank's PATH requirements.

A significant portion of the investments will generate environmental benefits and all Fund investments are expected to have limited negative social or environmental impacts. Most of the Fund's underlying infrastructure investments in the EU will fall under Annex I or II of EIA Directive 2011/92/EU, requiring a full Environmental Impact Assessment including public consultation or screening by the national competent authority on the basis of Annex III of the same Directive to determine the need for a full

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.

Luxembourg, 20/03/2025

EIA. If an underlying investment is subject to an EIA, the Fund Manager will be required to publish it on its website or provide a website link to the Bank indicating the location where the EIA is published. The Fund Manager will confirm that the project incorporates all mitigating measures recommended as a result of the EIA.

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

The legal documentation to be concluded between the Fund and the EIF will include an obligation on the Fund to ensure that all projects are in compliance with national and European legislation (where applicable), as well as the EIB E&S standards. The Fund is not allowed to invest in activities marked as 'Not Supported' in the EIB Climate Bank Roadmap 2021-2025, as amended by the EIB Paris Alignment Framework – Low Carbon.

Conclusions and Recommendations

Throughout the due diligence process, the EIF has communicated EIB Group E&S requirements to the Fund Manager, who is willing and, with the appropriate conditions in place, is deemed capable to fully implement them at Fund and portfolio company levels. To complement its ESMS and to strengthen the overall E&S governance of the operation, the Fund Manager will be required to:

1. Prior to first drawdown, the Fund Manager, with the support of the E&S advisor, will further develop its ESMS in line with EIBG requirements.
2. The Fund Manager shall contract a dedicated independent E&S advisor, with relevant experience in the targeted infrastructure sectors. The advisor will support the Head of ESG and ESG Team in overseeing the development and implementation of the ESMS (including ESG & impact tools and processes) and support the investment team with the E&S screening / due diligence / monitoring processes as needed.
3. The Fund Manager will undertake to engage a senior technical and E&S advisor acceptable to the EIBG, with in-depth experience in the waste/circular economy sector as a precondition to investing in this sector.
4. The Fund Manager will set up and maintain a communication mechanism for external stakeholders as part of its Grievance Mechanism.
5. The Fund Manager shall undertake reasonable efforts to assess and address the risks of forced labour in the supply chain. This will include, on a reasonable effort basis, enhanced due diligence, commensurate with the capacity and leverage of the developers regarding labour issues in the supply chain (supply chain mapping and/or declarations from the supplier, per project) ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub projects.
6. Publish the EIA/ESIA studies on the Fund's website or insert the link where the EIA/ESIA is published.

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