

The following information relates to the European Energy Efficiency Fund S.A. SICAV-SIF (the "Fund" or "eeef"), and is provided in accordance with Article 10(1) (a) to (c) of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR"). The information required pursuant to Article 10(1) (d) of SFDR, being the periodic reports to be provided in accordance with Article 11 of the SFDR, will be published together with the following information following 1 January 2022.

(A) Summary

The European Energy Efficiency Fund ("eeef") aims to support the climate goals of the European Union (EU 2030 Framework for Climate and Energy and the climate-neutral objectives of the European Green Deal)¹ to promote a sustainable energy environment and foster climate protection by enabling projects in European cities, regions and communities to build resilient infrastructure. The eeef has developed a Social and Environment Management System ("eeef SEMS") and an Impact Management Framework to define, assess, measure and monitor the Social and Environmental aspects and the specific impact of investments along the eeef's lifetime.

The impact objective and how this will be achieved, is defined in the following statements.

(B) Sustainable Investment Objective of eeef

The eeef has sustainable investment as its objective. Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective.

More precisely, the eeef's objective is to contribute substantially to climate change mitigation in particular by reducing greenhouse gas emissions and/or enhancing greenhouse gas removals through:

- a) improving energy efficiency;
- b) increasing clean or climate-neutral mobility;
- c) establishing energy infrastructure required for enabling the decarbonisation of energy systems; and
- d) producing clean and efficient fuels from renewable or carbon-neutral sources.

The eeef accomplishes its objective by providing direct or indirect financing for energy efficiency ("EE") and renewable energy ("RE") investments and projects to the following Partner Institutions ("PI") in the European Union ("EU") member states, on market-based terms:

- municipal, local, regional or national authorities;
- public or private entities acting on behalf of those public authorities (the "Beneficiaries"); and
- financial Intermediaries ("FI") that will extend loans to Beneficiaries for such

¹ https://ec.europa.eu/clima/policies/strategies/2030_en

investments and projects.

With the eeef's investments, the eeef has been contributing effectively to UN Sustainable Development Goals ("SDGs")², particularly SDG 7 (Ensure access to affordable, reliable, sustainable and modern energy for all), 11 (Make cities and human settlements inclusive, safe, resilient and sustainable), and 13 (Take urgent action to combat climate change and its impacts).

The specific impact objective which will be monitored is that all invested projects should achieve a minimum of 20% annual primary energy or carbon emission savings compared to baseline.

For each investee governance practices are assessed during on-boarding Know Your Client ("KYC") checks to ensure sound management and compliance.

(C) Investment strategy

The Investment Strategy of the eeef is to target eligible investments in the green infrastructure sector with a public link within the EU members states that support the following categories of investments avoiding carbon emissions or primary energy consumption by at least 20% compared to baseline:

- Category 1: Energy efficiency (e.g. building retrofit, street lighting);
- Category 2: Renewable energy (e.g. small-scale wind);
- Category 3: Clean Urban Transport (e.g. electric buses).

The eeef achieves this through the financing of:

- municipal, local, regional or national authorities and public or private entities acting on behalf of those public authorities, such as utilities, public transportation providers, social housing associations, Energy Service Companies ("ESCOs"), etc. ("Beneficiaries"); and
- financial Intermediaries that extend loans to Beneficiaries, for the purpose of implementing such investments and projects.

(D) Proportion of investments

All investments fall under the sustainable investments category.

(E) Monitoring of sustainable investment objectives

In alignment with industry standards and best practice, the eeef has developed a Social and Environmental Management System ("SEMS") and an Impact Management Framework ("IMF"). For fund-specific impact management, all projects are evaluated using a pre- and post-project analysis approach to calculate energy consumption, primary energy and carbon savings. For projects' social and environmental ("S&E") aspects management, all investments are monitored in their lifetime for their compliance with the S&E Standards. Specifically, the impact achievement and compliance at the portfolio basis is managed on the yearly basis.

In the pre-project phase, the alternative investment fund manager of the eeef (the "AIFM") reviews project technical documents submitted by the project developers to ensure that the information provided is complete and complies with the eeef's energy and carbon calculation and reporting principles. Among the submitted technical files

² <https://sustainabledevelopment.un.org/partnership/?p=35384>

by the project developer, a technology-specific due diligence questionnaire created by the eeef is attached, where the AIFM updates yearly emission conversion factors. The AIFM then evaluates the projects' eligibility along with the various criteria including estimating project carbon and/or primary energy savings using validated calculations. Avoided CO₂e amount in tones per million of Euros invested should also fall within the range that appears in the market standards given geography and project scale. Besides, the project developer is also requested to submit an SEMS questionnaire, so that the AIFM can ensure the compliance of the project's S&E aspects with the EU Directives on Environmental Impact Assessment³, European Investment Bank ("EIB") Statement on Environmental and Social Principles and Standards⁴ and Operating Principles for Impact Management⁵.

In the post-project phase, partner Institutions provide quarterly data on energy consumption, primary energy/CO₂e savings. The eeef reports project-specific and aggregates portfolio primary energy and carbon savings on quarterly basis.

The realised investments are included in the quarterly report. The S&E reporting is also conducted on a periodic basis at project level. The dedicated team of the AIFM manages the eeef's annual audits, ensures that project lifetime savings and S&E aspects are aligned with estimations and investment criteria. When necessary, it is proposed an on-site audit review to assure the project savings, especially for investments through local FI.

The eeef also uses a web-based proprietary tool, greenstem™ (<https://www.dws.com/greenstem/>), to define, assess, measure and monitor its carbon and energy impact. greenstem™ automatically and consistently calculates anticipated and realized impact indicators based on the underlying investment and benchmark data. The calculation is aligned to international standards (please refer to the following "(G) Methodologies" section) and best practices, which has been validated by a global engineering company.

Full details of the SEMS and IMF can be found under "IMPACT MANAGEMENT" on www.eeef.eu.

(F) Methodologies

To ensure the impact assessment, energy consumption, CO₂e emissions and primary energy savings of each project, a quarterly and monitored tracking is conducted in line with the International Performance Measurement and Verification Protocol ("IPMVP") for energy accounting, ISO 14064 for carbon accounting. All methodologies used by the eeef have been validated by a global engineering company. To determine the impact of the eeef's investments through measuring, monitoring and verification processes, the eeef technical criteria are assessed based on the project's technology and investment size. For projects with higher investment volumes and/or more complex technologies, detailed energy analyses are required in the form of third-party validated reports.

For standard projects (e.g. street lighting), savings can be obtained directly by using validated calculations from greenstem™, the eeef's proprietary impact management and verification system. The calculation is aligned to international standards mentioned above and best practices, which is validated by a global engineering company.

³ <https://ec.europa.eu/environment/eia/eia-legalcontext.htm>

⁴ https://www.eib.org/attachments/strategies/eib_statement_esps_en.pdf

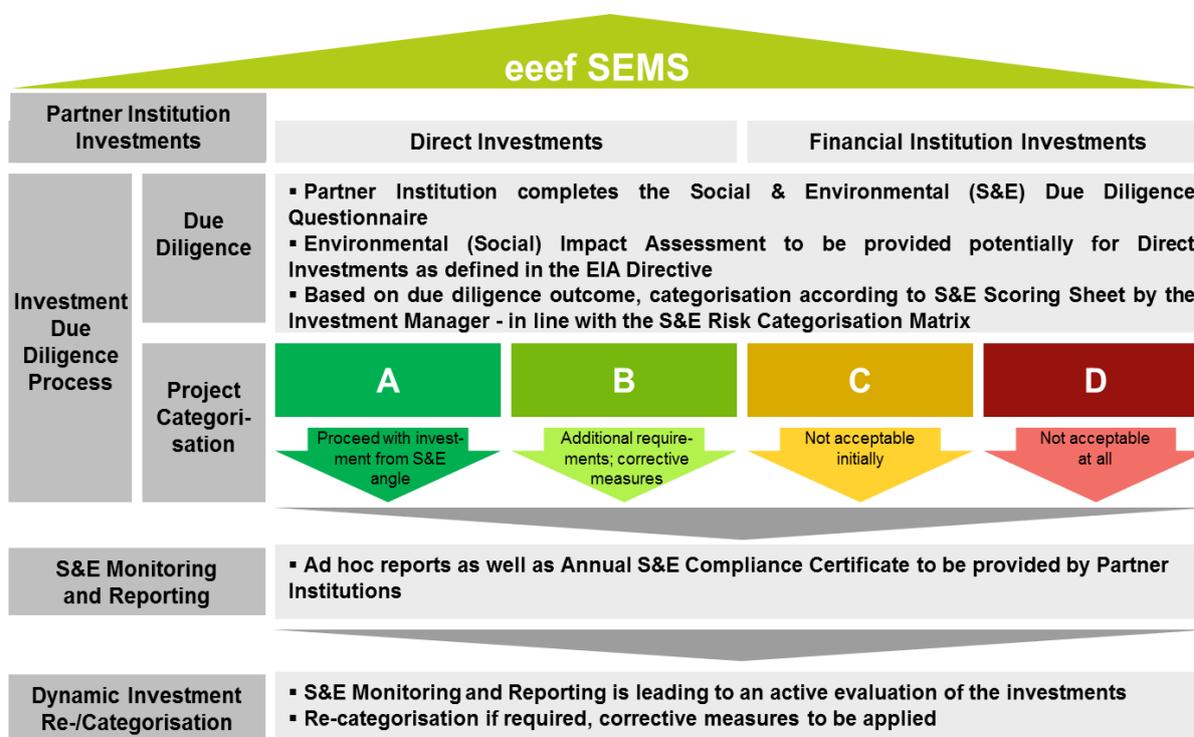
⁵ <https://www.impactprinciples.org/>

Apart from assessing targeted eef-specific primary energy/carbon savings goals, all investment in its portfolio also has to comply with its SEMs which consists of:

- S&E Standards adhering to the EIB Statement on Environmental and Social Principles and Standards;
- EU Directives on Environmental Impact Assessment;
- Impact Operating Principles;
- eef Performance Measurement Framework (specified in the “eef SEMs Policy Documentation” on www.eef.eu).

(G) Due Diligence

All underlying investments undergo risk based S&E Due Diligence throughout the investments’ lifetime, requirements outlined below.



In respect to fund-specific impact assessment, the eef reviews project technical documents submitted by the project developers to ensure that the information provided is complete and complies with the eef’s energy, carbon calculation and reporting principles. Among the submitted technical files by the project developers, a technology-specific due diligence questionnaire created by the eef is attached, where the AIFM updates yearly emission conversion factors. The AIFM then evaluates the projects’ eligibility along with the various criteria including estimating project carbon and/or primary energy savings using validated calculations.