

## Paris Alignment restrictions applicable to InvestEU Guarantee transactions and similar products

Pursuant to the [EIB Group Climate Bank Roadmap 2021-2025 \(eif.org\)](https://eif.org) and related internal procedures, the following restrictions (as may be amended from time to time) are applicable to EIF transactions, as further defined for each product in the relevant transaction documentation.

Final recipients shall not have a substantial focus on:

- a. *Fossil fuel-based energy production and related activities*
  - (i) *Coal mining, processing, transport and storage;*
  - (ii) *Oil exploration & production, refining, transport, distribution and storage;*
  - (iii) *Natural gas exploration & production, liquefaction, regasification, transport, distribution and storage; or*
  - (iv) *Electric power generation exceeding the Emissions Performance Standard (i.e. 250 grams of CO<sub>2</sub>e per kWh of electricity), applicable to fossil fuel-fired power and cogeneration plants, geothermal and hydropower plants with large reservoirs.*
  
- b. *Energy-intensive and/or high CO<sub>2</sub>-emitting industries and sectors (NACE nomenclature, 4 digits):*
  - (i) *Manufacture of other organic basic chemicals (NACE 20.14);*
  - (ii) *Manufacture of other inorganic basic chemicals (NACE 20.13);*
  - (iii) *Manufacture of fertilisers and nitrogen compounds (NACE 20.15);*
  - (iv) *Manufacture of plastics in primary forms (NACE 20.16);*
  - (v) *Manufacture of cement (NACE 23.51);*
  - (vi) *Manufacture of basic iron and steel and of ferro-alloys (NACE 24.10);*
  - (vii) *Manufacture of tubes, pipes, hollow profiles and related fittings, of steel (NACE 24.20);*
  - (viii) *Cold drawing of bars (NACE 24.31);*
  - (ix) *Cold rolling of narrow strip (NACE 24.32);*
  - (x) *Cold forming or folding (NACE 24.33);*
  - (xi) *Cold drawing of wire (NACE 24.34);*
  - (xii) *Aluminium production (NACE 24.42);*
  - (xiii) *Manufacture of conventionally-fuelled aircraft and related machinery (sub-activities contained within NACE 30.30 activity "Manufacture of air- and spacecraft and related machinery");*
  - (xiv) *Conventionally-fuelled passenger air transport (sub-activities of NACE 51.10);*
  - (xv) *Conventionally-fuelled freight air transport (sub-activities of NACE 51.21);*
  - (xvi) *Service activities incidental to conventionally-fuelled air transportation. (sub-activities of NACE 52.23).*

In addition, the following restrictions shall apply:

1.	If the Final Recipient Transaction is granted/issued to a Final Recipient and with the specific purpose to finance <sup>1</sup> the acquisition of a vehicle for the purpose of transport <sup>2</sup> , the Final Recipient Transaction shall not finance any Restricted Asset.
2.	For Final Recipient Transactions granted/issued with the specific purpose to finance the construction of new buildings <sup>3</sup> and major rehabilitation of existing buildings (i.e exceeding 25% of the surface area or 25% of the building value excluding land) any such construction of new buildings and major rehabilitation of existing buildings shall comply with national energy standards defined by the Energy Performance of Buildings Directive (EPBD, 2018/844/EU).
3.	<p>Final Recipient Transactions granted/issued with the specific purpose of financing the heating and/or cooling (including Combined Cooling/Heat and Power production (CCHP, CHP)) of buildings shall finance any of the following:</p> <ul style="list-style-type: none"> <li>(i) Investments involving heat production using renewable fuels or “eligible cogeneration”, where “eligible cogeneration” is defined as: <ul style="list-style-type: none"> <li>a. based on 100% renewable energy, waste heat or a combination thereof; or</li> <li>b. if based on &lt;100% renewable energy and the remaining part is gas-fired (no other fossil fuel is eligible): overall efficiency shall exceed 85% where efficiency is calculated as: (Heat + Electricity production) divided by Gas fuel consumption;</li> </ul> </li> <li>(ii) investments involving small and medium-sized natural gas boilers with a capacity of up to 20 MWth meeting the minimum energy efficiency criteria, defined as A-rated boilers in the EU (applicable to &lt;400kWth) or boilers with efficiencies of &gt;90%;</li> <li>(iii) investments involving the rehabilitation or extension of existing district heating networks if there is no increase in CO<sub>2</sub> emissions as a result of the combustion of coal, peat, oil, gas or non-organic waste on an annual basis; and/or</li> <li>(iv) investments involving new district heating networks or substantial extensions of existing district heating networks if the network uses at least 50% renewable energy or 50% waste heat or 75% cogenerated heat, or 50% of a combination of such energy and heat.</li> </ul>
4.	For Final Recipient Transactions granted/issued with the specific purpose of financing investments in power and/or heat production, using biomass, the following biomass sustainability conditions shall be met:

<sup>1</sup> For the avoidance of doubts, in the case of Finance Leases, the acquisition by a lessor of an existing Restricted Asset owned by the Final Recipient is allowed, provided that the relevant acquisition price paid by the lessor shall not be used by the Final Recipient to finance any Restricted Asset

<sup>2</sup> For the avoidance of doubt, mobile assets not acquired for the purpose of transport are not covered by these restrictions. These are, for instance, machinery for construction works, agriculture/forestry mobile assets, etc.

<sup>3</sup> Buildings are defined as roofed constructions having walls, for which energy is used to condition the indoor climate. This definition of buildings encompasses greenhouses and industrial buildings

	<p>(i) feedstock shall be from non-contaminated biomass or biogenic waste inside the EU, or certified for sustainability when sourced from outside the EU, and shall not consist of food and feed crops;</p> <p>(ii) forest feedstock certified according to international sustainable forest certification standards;</p> <p>(iii) no palm oil products or raw material from tropical forest and/or protected sites<sup>4</sup> shall be used.</p>
5.	Final Recipient Transactions shall not have the purpose to finance desalination projects.
6.	Final Recipient Transactions shall not have the purpose to finance the activities corresponding to the sectors set out in paragraphs a) and b) above. For Final Recipient Transactions not having been granted/issued for a specific purpose (e.g. working capital facilities), the Final Recipient entering into such Final Recipient Transaction shall not be active in the sectors set out in paragraphs a) and b) above.

“Restricted Asset” means any of the below listed mobile assets for transport vehicles:

Passenger cars primarily used for commercial purposes	for which the corresponding CO <sub>2</sub> emission thresholds exceed 115g CO <sub>2</sub> /km according to the Worldwide Light duty vehicle Test Procedure (WLTP) on a per vehicle basis.		
Vans/ Light Commercial Vehicles	for which the corresponding CO <sub>2</sub> emission thresholds exceed 182g CO <sub>2</sub> /km according to the Worldwide Light duty vehicle Test Procedure (WLTP) on a per vehicle basis		
Trucks/ Heavy duty vehicles (HDVs)	<b>Axle and chassis configuration<sup>5</sup></b>	<b>Vehicle subgroup<sup>6</sup></b>	<b>Reference value above gCO<sub>2</sub> / t-km</b>
	Rigid, 4x2, GVW > 16t	4-UD	307.23
		4-RD	197.16
		4-LH	105.96
	Tractor, 4x2, GVW > 16t	5-RD	84
		5-LH	56.6
Rigid, 6x2	9-RD	110.98	

<sup>4</sup> Protected sites include “Natura 2000” sites designated under relevant EU legislation, sites recognized under the Ramsar, Bern (Emerald network) and Bonn conventions and areas designated or identified for designation as protected areas by national governments.

<sup>5</sup> GVW = Gross Vehicle Weight

<sup>6</sup> UD = Urban delivery, RD = Regional delivery and LH = Long Haul

		9-LH	65.16
	Tractor, 6x2	10-RD	83.26
		10-LH	58.26
	Trucks (including, without limitation, trucks that are part of a heavy duty vehicle sub-group), other than those that meet (i) "EURO VI" standards or higher and are not covered by any of the 4 axle chassis configuration groups outlined in the table directly above or (ii) in case of waste collection trucks, "EURO V" standards or higher.		
vehicles dedicated to transport fossil fuels or fossil fuels blended with alternative fuels			
L-category vehicles (2- and 3-wheel vehicles and quadricycles)	Any such vehicle other than zero direct emissions vehicles.		
Public transport: Trams, metros & buses (urban and interurban)	for which direct emissions exceed 50g CO <sub>2</sub> equivalent per person-km (gCO <sub>2</sub> e/pkm)		
Trains	passenger trains for which direct emissions exceed 50 gCO <sub>2</sub> equivalent per person-km (gCO <sub>2</sub> e/pkm).		
	freight trains for which direct emissions exceed 28.3 gCO <sub>2</sub> equivalent per tonne-km (gCO <sub>2</sub> e/tkm)		
	vehicles dedicated to transport of fossil fuels or fossil fuels blended with alternative fuels		
Inland water way vessels	passenger vessels for which direct emissions exceed 50 gCO <sub>2</sub> equivalent per person-km (gCO <sub>2</sub> e/pkm)		
	freight vessels for which direct emissions exceed 28.3 gCO <sub>2</sub> equivalent per tonne-km (gCO <sub>2</sub> e/tkm)		
	vessels dedicated to transport fossil fuels or fossil fuels blended with alternative fuels		
Maritime vessels	Maritime vessels dedicated to transport fossil fuels or fossil fuels blended with alternative fuels		

The restrictions above will be applied in accordance with EIF's internal procedures with due consideration to the type of intervention, policy target and final recipients addressed.