Early Warning System

EBRD-53864

Sunly AS

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Quick Facts

Countries	Poland
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-12-14
Borrower	Sunly AS
Sectors	Energy
Investment Type(s)	Equity
Investment Amount (USD)	$ 72.82 million
Project Cost (USD)	$ 282.59 million

Project Description

PROJECT DESCRIPTION

An equity investment of up to EUR 22 million in the context of the capital increase of Sunly AS (the "Company"), an Estonia based renewable energy developer and independent power producer, with activities in the Baltic countries and Poland. The investment is part of a capital increase of EUR 200m, of which the investment fund Mirova has taken a substantial stake.

PROJECT OBJECTIVES

The capital increase is mainly aimed at financing the Company's deployment of renewable energy capacities over the next 24 months.

TRANSITION IMPACT

ETI score: 64

The Project will contribute to the Green transition quality as the Company will be developing renewable energy in the Baltic countries and Poland.

EBRD FINANCE SUMMARY

EUR 22,000,000.00

The EBRD would participate to the capital increase with a ticket of up to EUR 22 million.

TOTAL PROJECT COST

EUR 200,000,000.00

The amount of the capital increase is of EUR 200 million.

ADDITIONALITY

The client is taking comfort from his long-term relationship with the EBRD to take on more risk and/or finance, enabling outcomes such as innovation or expansion into new markets.

ENVIRONMENTAL AND SOCIAL SUMMARY

The project has been Categorised B in line with EBRD's 2019 E&S Policy. The Bank will be taking an equity investment and a key feature of the E&S due diligence was therefore to review the E&S performance of the current operations; to make an assessment of the capacity and capability of the corporate entity to manage the portfolio in line with EBRD's Performance Requirements; and the ability of the company to develop and implement a comprehensive E&S management system, inclusive of supply chains and procurement of green energy technologies. E&S DD is ongoing and will be completed before Board approval, however, initial findings confirm that E&S risks associated with the project are relatively low; the Company is operating in the EU will in line with environmental standards; and, the company will be required to fulfil ESG reporting requirements and the EU Corporate Sustainability Due Diligence Directive. Through EBRD's engagement with the company, a supply chain management system will be established to assess and mitigate the risks of forced labour in the supply chain and the E&S Action Plan commits the company to have this system in place prior to the future procurement of solar PV panels, this forward looking process is aligned with good practice. The E&S Action Plan will be agreed with the company before approval and will form the basis of EBRD's monitoring of the investment in the future. This section of the PSD will be updated following the completion of the E&SDD.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

Private Actors Description

The Company was founded in 2018 by investors from the Baltics countries. It has raised EUR 44m of equity between 2019 and 2021. The Company develops, finances, constructs, builds and operates renewable energy projects in the Baltic countries and Poland. It has a pipeline in excess of 17GW.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Sunly AS	Client	-

Contact Information

Company Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at: http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html