Green Investment Handbook

How we assess

Green and Responsible Investment Assessment
The process described here is to be used for assessing the Green and Responsible Investment impact and risks of the UK Green Investment Bank’s (GIB) pipeline projects during due diligence, including environmental and social project-related risks. For further information please contact the Green Team greenteam@greeninvestmentbank.com.

Due diligence
GIB’s environmental and social due diligence is governed by our Green and Responsible Investment policies. The approach on how we apply the assessment aspect of these policies is outlined in our green due diligence guidance document. This document also describes the tools that we use during the due diligence process. Further detail is set out in the guidance and it includes:

- Information and guidance on completing our due diligence checklist
- External factors review guidance and template
- Guidance on Green Project Risk Assessment
- Equator Principles compliance guidance and checklist

Performance against the Green Purposes
GIB has five green purposes as set out in our Green Investment Principles and Green Investment Policy. The Green Team assesses the performance of our projects against these policies and records this in the due diligence checklist. This allows us to rate the performance of the projects against each of the five Green Purposes in order to demonstrate compliance with our overall Green Principle of positive contribution to at least one of the five Green Purposes. The criteria against which we rate our projects are set out in Section 4 of the Green Investment Policy.

In order to do this we are researching and developing a green ratings system which we are currently pilot testing internally. This provides snapshot granularity for the benefit of our Investment Committee and is reflected in our Investment Committee Report. The Deal Assessment Rating Tool chart is used to visualise our ratings.

When a project enters our portfolio, the ratings for each project is monitored and presented in the Green and Responsible Investment Dashboard (GRID).

Following successful pilot testing, we will be providing further details on Green Ratings methodologies by further expanding the Handbook during 2015.

External advisors
We receive advice and support from expert advisors when undertaking due diligence on our projects. In order to support our environmental and social (including health and safety) due diligence, we have developed a scope of works to be used when appointing consultants for GIB projects, as applicable.

There are additional, sector specific, advisor roles for which we have developed scopes of works:

- for waste projects we have a life cycle assessment scope of works which is represented in the Green Impact Reporting Criteria and further information is available on request;
- for biomass projects we have developed a Biomass Sustainability Advisor scope of works; and
- for energy efficiency projects we have developed scope of works for the project’s independent assurer.