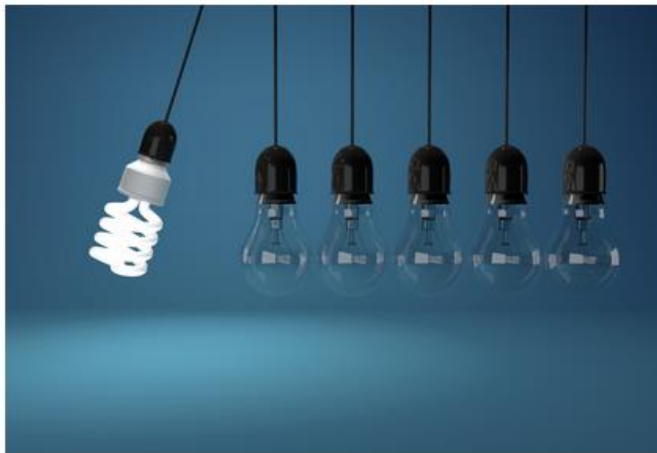


Publication: ESG Magazine
Date: 26th April 2017
Circulation: 15,000



Diversifying through energy efficiency

Reducing consumption is generating cash and being packaged up into fund structures for investors.

Oliver Wagg

Natalino Mongillo, partner at London-based EOS Investment Management (EOS IM), says it's valuable to have the ability to diversify in the renewable energy field and to generate a positive environmental impact through energy efficiency implementation.

"You are less exposed to regulatory risk through energy efficiency," he said. "This is something that is less developed, but we believe it has a lot of potential," he added.



Natalino Mongillo, Eos Investment Management

EOS IM provides asset management services focused on the real economy, offering a diversified choice of asset classes, in particular, clean energy and private equity.

Efesto Energy, set up as SICAV SIF in Luxembourg, is the renewable energy fund managed by EOS IM that invests in existing solar and wind generators in Italy.

Publication: ESG Magazine
Date: 26th April 2017
Circulation: 15,000

In January 2017, the fund made one of the biggest renewable energy transactions in Italy's history, acquiring – through its energy fund Efecto Energy – a €140 million portfolio of 40MW solar and wind farms, owned by Telmo Group.



The same month, EOS IM launched a €28 million partnership with both Conad del Tirreno and Officinac Verdi Group, a joint venture involving the World Wildlife Fund and UniCredit, to modernise and re-engineer nine Conad del Tirreno superstores in Italy over the next 24 months.

The superstores are located across Tuscany, Lazio and Sardinia, and will have a beneficial impact both on employment and energy consumption.

The venture will result in an estimated annual reduction of CO₂ emissions of 2,900 tonnes per annum, across all the nine stores, while the related energy consumption of the superstores will decrease by about 50%.

"The world is trying to move towards a more efficient approach in the use of energy, which in the end is the best way to be sustainable", Mongillo said.

"We have put together an instrument which on one side makes great financial sense, and on the other is sustainable. It is assuring recurring cash flow and meeting specific requirements in terms of internal rate of return (IRR) and yield for our investors and on the other side is improving energy efficiency in nine stores."

EOS IM is hoping to expand its product offering to incorporate other sectors.

"It is something we are looking at across Europe because in some cases renewable energy products can be dependent on the incentive scheme and regulation, at least for now."

"Energy efficiency isn't so much dependent on the country so it is good to look at similar partnerships to maintain efficient and sustainable diversified portfolios."

The venture will result in an estimated annual reduction of CO₂ emissions of 2,900 tonnes per annum, across all the nine stores, while the related energy consumption of the superstores will decrease by about 50%."
