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EOS IM partners with Italian retailer on energy efficiency upgrades

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People: Ciro Mongillo

EOS Investment Management (IM) has partnered with Italian supermarket chain Conad Group to provide energy efficiency and greenhouse gas emission reduction improvements at nine stores.

The deal, which is worth €28 million (\$29 million), is projected to reduce carbon dioxide emissions at the stores by 2.9 gigatonnes a year and energy consumption by 50%.

Three of the stores will be upgraded, while six new stores will have the improvements included in their construction.

The deal is also being part financed by Italian bank UniCredit Banca through its sustainable investment partnership with WWF, Officinae Verdi Group.

EOS IM and Officinae Verdi Group are to invest in a special purpose vehicle (SPV) that they and Conad will have a stake in. Each retail store will sign up to receive a loan from the SPV to make the improvements. Unicredit will finance the SPV through a non-recourse loan.

"We are always looking for high-level strategic partners and innovative projects which offer attractive returns," said Ciro Mongillo, EOS IM's founder and CEO. "Our new venture with Conad, involving UniCredit Banca and WWF, will provide social value, created through the construction of the superstores, creating new job opportunities in three regions, as well as generating a positive environmental impact through energy efficiency results."

Grimaldi Studio Legale was appointed as the legal advisor to the project.

Conad is the largest supermarket chain in Italy, with a €12.2 billion turnover in 2015. The chain, which has a cooperative structure, will implement the project in nine stores in the three regions; Tuscany, Lazio and Sardinia, under its Conad del Tirreno brand.

"In recent years, we have installed major photovoltaic energy plants, producing total installed power of about 5MW in Tuscany, Lazio and Sardinia," said Ugo Baldi, Conad del Tirreno's CEO.

Hamza Ali