

Luxembourg, 13th July 2022

Environmental and Social Data Sheet

Overview

Project Name:	<i>LARGE-SCALE ENERGY EFFICIENT HOUSING GERMANY</i>
Project Number:	<i>2022-73</i>
Country:	<i>GERMANY</i>
Project Description:	Financing investments in the energy efficient refurbishment of existing residential buildings and the construction of new housing units going beyond German NZEB minimum standards.
EIA required:	no ¹
Project included in Carbon Footprint Exercise ² :	yes
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The project consists of an investment loan to Vonovia to support energy efficiency (EE) investments in residential housing buildings in Germany. The operation aims to develop major renovations and thermal rehabilitation of about 32,600 residential housing units to enhance the energy performance of the buildings.

The operation will also concern the construction of 6,900 new residential buildings with an energy efficiency performance going at least 10% beyond the near zero energy buildings (NZEB) level objectives in Germany, in line with the EU Taxonomy requirements related to Sustainable Contribution to Climate Mitigation). In most cases, new construction projects will comply with the KfW55 levels (equivalent to NZEB minus 26%).

Therefore, the operation will contribute to the EU energy and climate objectives and support the implementation of the EU Energy Performance of Buildings Directive (EPBD) and the Energy Efficiency Directive (EED).

The EE refurbishment projects and the construction of highly-energy efficient buildings will contribute to reducing energy consumption and subsequent running costs of the buildings. Therefore, the project will contribute 100% to climate change mitigation with estimated yearly primary energy savings of 147.5 GWh/year and a reduction of approximately 32,300 tons of CO₂ equivalent per year

The German constitution, the so-called Basic Law, enshrines environmental protection as a national objective in Article 20a. Most environmental acts in Germany transposing EU law are federal law, such as the EIA Act (UVPG) implementing the SEA and EIA Directives, the Federal

¹ On an exceptional basis, a scheme might fall under Annex II of the EIA Directive.

² Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



Luxembourg, 13th July 2022

Nature Conservation Act (BNatSchG), the Water Resources Act (WHG), and the Federal Immission Control Act (BImSchG), among others.

Temporary nuisance due to construction and renovation works (dust, noise) shall be mitigated through appropriate site organisation and construction management. Due to the nature of the investment, very limited environmental impacts are expected. However, the cumulative impact of sub-projects could generate significant environmental benefits in terms of the reduction of air pollutants and GHG emissions.

New constructions projects will be situated in consolidated urban areas, in which the promoter is already present owning and managing existing residential buildings and preferably on land plots already owned by the company in view of reasonably densifying the urban area. Therefore, an IEA shall normally not be required.

Given the scale and nature of the sub-projects an EIA (Environmental Impact Assessment), as defined under the EIA Directive 2014/52/EU, amending the 2011/92/EU, is normally not required. The capacity of the Promoter to carry out an environmental assessment of projects in line with the Bank's requirements and the national legislation has been appraised and is deemed satisfactory.

Regarding circular economy, the newly-constructed buildings under this operation will comply with the relevant EU legislative requirement such as the Waste Framework Directive transposed into the national legislation, which stipulates that, at least 70% by weight of the non-hazardous construction and demolition waste is prepared for reuse, recycling or other material recovery.

The main objectives of the project are energy efficiency in residential buildings and construction of highly-efficient residential housing units. Both components are Paris aligned according to the Climate Bank Roadmap.

EIB Carbon Footprint Exercise

For the purpose of the EIB Carbon Footprint, the Bank considered that before the project buildings are consuming mostly gas for heating and district heating for heating purposes. After the project, the consumption of existing building is significantly decreased but with the same primary energy sources. For the new construction of buildings, the calculation of CO₂ impact is based on the comparison between kfW55 standards (equivalent to NZEB minus 26%) and the German NZEB standards.

The Project will generate net emissions savings of approximately 32,300 tonnes of CO₂ equivalent per year. For the annual accounting purposes of the EIB Carbon Footprint, the Project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project costs.

Social Assessment, where applicable

The investments will generate social benefits, in terms of supporting better health through improving indoor air quality and supporting employment generation.

Public Consultation and Stakeholder Engagement

For the new construction buildings, when applicable, public consultation has been/will be carried out as part of the urban planning process, in conformity with the relevant EU and national legislation. Given the Promoter's extensive experience in managing similar projects, their experience to engage key stakeholders and properly manage public consultation processes is deemed appropriate.



Luxembourg, 13th July 2022

Conclusions and Recommendations

Given the size and nature of the projects, any negative environmental impacts are expected to be mitigated. If, exceptionally, a scheme falls under Annex II of the EIA Directive, the Bank will require the Promoter to act according to the provisions of the aforementioned Directive as transposed into national law. Should the relevant competent authority screen in a scheme, the Promoter shall deliver to the Bank the Non-Technical Summary (NTS) of the EIAs and the Environmental Impact Study (EIS) before the Bank funds are allocated.

The legal documentation to be concluded between the Promoter and the Bank shall include an obligation on the Promoter to ensure that all projects comply with national and European legislation (where applicable), as well as the Bank's Environmental and Social standards.

The overall environmental and social impact of the Project is expected to be positive due to the reduced energy consumption and GHG emissions and due to the improved indoor air quality.

The Promoter is considered capable to select schemes complying with the Bank's specific procedures and eligibility criteria, in particular regarding the environmental and social aspects. The project is therefore considered to be acceptable for Bank financing from an environmental and social compliance perspective.