



Luxembourg, 21 December 2022

Environmental and Social Data Sheet

Overview

Project Name:	MILAN EE SOCIAL & AFFORDABLE HOUSING
Project Number:	2021-0779
Country:	Italy
Project Description:	Refurbishment and new construction of affordable housing for rent in central Milan. The units are owned by the fund FONDO IMMOBILIARE CA GRANDA and managed by InvestiRE
EIA required:	No
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The Project concerns the refurbishment and demolition and reconstruction of some 347 housing units, of which 235 will be affordable housing with agreed rent or canone concordato and the remaining 112 units will be rented below market rates. In addition, the Project includes 25 retail spaces, totalling a Project gross floor area of around 37,000 square meters.

Affordable housing plays a key part in the achievement of the objectives Europe's green development plans and cohesion strategy, in particular in terms of the EU Green Deal and poverty reduction. It contributes to ensuring high levels of employment, inclusion and social cohesion.

The Project is compliant with the Energy Performance of Buildings (EPBD) Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings amended by Directive (EU) 2018/84.

Relevant EU Directives have been transposed into the national legislation including Environmental Impact Assessment (EIA) Directive 2014/52/EU amending the 2011/92/EU, SEA Directive 2001/42/EC, Habitats Directive 92/43/EEC, Birds Directive 2009/147/EC and Energy Performance of Buildings Directive 2010/31/EU. None of the schemes requires an EIA. None of the project components will be located inside or near a Natura 2000 area and there will be no impacts on any protected site. The Project's impacts at the construction stage are expected to be short-lived and reversible, at a level, which is deemed acceptable. Potential negative effects (e.g. waste, dust, noise during construction) will be alleviated by implementing effective mitigating measures.

¹ 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.



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The environmental impact of the project is expected to be minimal. Moreover, the investments are expected to bring a number of positive effects, including the construction of energy efficient buildings.

Building permits or SCIA (Declaration of certified start of activity) substitute to the Building Permit by the competent authority have been granted already.

Pursuant to the PATH framework, an assessment was carried out on the climate-related framework and public disclosures of the borrower's fund manager, InvestiRE. The latter discloses in line with TCFD and therefore meets PATH requirements. No further action is required

Social Assessment, where applicable

There is no separate social assessment conducted for the Project. The Project will contribute to the provision of adequate social and affordable rent in Milan for a limited period of time (10 years). Most of the units financed by the EIB will be offered to low and medium income people, allowing people in housing needs or who cannot afford market rates to live in the central area contributing to the social mix of the neighbourhood as a whole.

Most of the housing units financed through the Project (234 units) will be rented to low income households on the basis of well-defined eligibility criteria established by national, regional and local legislation (Ministerial Decree 30th Dec 2002, Territorial Agreement March 2019). Additional 112 units will be rented at rent levels that are 12% to 39% lower than the market rates.

In order to manage the relocation of affected tenants the promoter has defined a comprehensive Mobility Plan. A Social Manager (KService Impresa Sociale) together with a Social Advisor (Social Housing Foundation), a well-established social company operating in the social and affordable housing sector, manage the relocation of affected tenants. FONDO IMMOBILIARE CA GRANDA has also signed a social convention with the Municipality of Milan that prevents them from selling 100 units offered to lower income household before 2034.

It is expected that the Project will contribute to the regeneration of selected central areas of Milan, enhancing the quality of the built urban environment. This, in turn, is expected to increase the competitiveness and the attractiveness of urban areas and have a positive effect on labour mobility and job creation. Moreover, due to housing construction typically being labour-intensive, using the local workforce, including unemployed, low-skilled and apprentices, the housing investments are expected to contribute to growth and significant employment during implementation of the investments.

Public Consultation and Stakeholder Engagement

Cognisant that engagement with affected tenants is critical to the success of the Mobility Plan, the Promoter, Investire SgR, is implementing a robust consultation and information-sharing program with the support of both an external Social Manager and an independent Social Advisor. Additionally the Promoter has engaged with Municipal authorities and key stakeholders like the Tenants Union of Milan to ensure robust governance.

Other Environmental and Social Aspects

The Promoter has an organisational structure that allows adequate sharing out of roles, responsibilities and powers. With reference to the Regulation (EU) 2019/2088 of the European



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Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial sector (SFDR Regulations), Investire SgR has developed its publicly available disclosure declaration in which it clarifies that the company adopts the approach “explain” on all the funds it manages.

Conclusions and Recommendations

The promoter will be required to act according to the provisions of the relevant EU Directives, including SEA (2001/42/EC), EIA (2014/52/EU amending 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives and Water Framework Directive (2000/60/EC) as transposed into national law.

Upon the Bank’s request, the Promoter will be requested to provide selected Energy Performance Certificates obtained in line with the EU Directive 2010/31/EU during implementation or after completion of works.

The overall environmental and social impact of the Project is expected to be positive albeit limited in time. It is expected that the investments will result in a number of positive social externalities, e.g. providing housing for households in need, temporary increase of social and affordable housing stock in the city of Milan until 2034. The housing investments to be financed under the operation will significantly contribute to the improvement of the urban environment.

The institutional capacity of the promoter to manage the environmental and social issues is deemed adequate. Therefore, subject to the conditions described above, the project is acceptable for the Bank in environmental and social terms.