



Luxembourg, 08 December 2022

Environmental and Social Data Sheet

Overview

Project Name:	VESTEDA AFFORDABLE HOUSING II
Project Number:	2022-0323
Country:	Netherlands
Project Description:	The operation consists of the construction of new rental housing and highly energy efficient retrofitting of existing housing.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

The operation consists of an investment loan to Vesteda, which is a Dutch private real estate company owning and operating a residential stock of some 27,500 housing units. The company focuses on providing affordable housing for rent, mainly in the Randstad region (including the cities of Amsterdam, Rotterdam, Utrecht and The Hague) but also in other urban agglomerations throughout the Netherlands.

The Project involves two components:

- (i) the construction of eight (8) new residential complexes;
- (ii) the renovation of four (4) existing apartments.

The Project is expected to deliver 821 newly built rented housing units and the retrofitting of 412 units.

Environmental Assessment

Given the size of each of the schemes, the Project falls outside of the scope of the Environmental Impact Assessment (EIA) Directive 2014/52/EU, amending EIA Directive 2011/92/EU.

The Project will cause some negative impacts during construction, including increased traffic, noise, dust etc. in the surroundings of the sites. The Promoter will implement measures concerning site organisation and construction management to reduce noise, dust etc. during construction or maintenance works in line with the Dutch Building Decree of 2012. The residual environmental impact will be short-lived and reversible and at a level deemed acceptable.

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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Furthermore, none of the schemes is located inside or close to a protected site. Therefore, the Project does not have a significant effect on any conservation site in accordance with the Habitats (92/43/EEC) and Birds (79/409/EEC) Directives.

The new buildings are in line with the EU Directive on the Energy Performance of Buildings 2010/31/EU. Therefore, the project is deemed aligned with a low carbon and resilient pathway, consistent with the Paris Agreement goals and principles as defined in the Climate Bank Roadmap (CBR).

In addition, approximately two thirds of the new units will have an energy efficiency performance going at least 10% beyond the Dutch requirements for Nearly Zero-Energy Buildings (NZEB), in line with the Building Decree of 2012. The new building schemes amongst them that are larger than 5000m² will also meet the air-tightness and thermal integrity criteria as per EU Taxonomy Regulation. They are, therefore, in line with the EU Taxonomy requirements related to Significant Contribution to Climate Mitigation. The retrofitted housing units are expected to reduce the energy consumption in approximately 60% after renovation (based on their primary energy consumption). The Project is expected to generate final energy savings of approximately 5.1 GWh/year and a reduction of GHG emissions (CO₂-equivalent) of approximately 600 tons/year.

The Project is expected to include a number of measures to ensure its climate resilience. The identified physical climate change risks include amongst others heat stress, frequent droughts, extreme rainfall and rising water levels. They are addressed with appropriate climate adaptation measures (e.g. green areas, courtyards, green roofs, use of solar-control glass to reduce heat stress, water buffers for excess rainfall and water-saving measures, i.e. water-saving taps, shower heads, toilet flush selector, etc. to face water shortage or droughts).

Given all this, the Project will have a positive overall impact, increasing the stock of affordable and efficient housing for rent in the Netherlands.

EIB Paris Alignment for Counterparties (PATH) Framework

Vesteda is a corporate entity in scope of the PATH framework. It has been screened out given that it is not operating in a high emitting sector and it is not considered a highly vulnerable entity.

Social Assessment, where applicable

The Project is expected to deliver new quality affordable housing and renovated units with high-energy efficiency standards.

The new build schemes include a mix of tenures in order to create sustainable neighbourhoods and be in line with urban planning requirements in the respective city where located.

The construction of new social and affordable housing units will contribute to increasing the housing supply for rent for middle-income households, thus alleviating current shortages in the market and helping to meet the current strong demand in the Netherlands. Future beneficiaries might include key workers such as teachers, police officers and healthcare workers living in the main Dutch metropolitan areas, where rental prices are higher and not so affordable as in other regions not subject to the same market pressure.

The project is expected to significantly contribute to the urban environment by helping to: (i) create better health conditions for tenants and overall quality of life, (ii) promote urban renewal



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and social inclusion of middle-income households and (iii) reduce energy consumption of residential buildings and tenant's energy costs.

Public Consultation and Stakeholder Engagement

As is the case for some new construction or renovation building projects, public consultation has been/will be carried out as part of the urban planning process, in conformity with the relevant national legislation.

The Promoter has long-standing experience in the residential rental sector, in particular in the affordable segment for moderate-income households, so its ability to engage key stakeholders and properly manage public consultation processes is deemed appropriate.

In particular, Vesteda is expected to manage in an appropriate manner the temporary relocation of the households that might be required due to the renovation of existing buildings. The company has long-standing experience with regard to refurbishment projects. Where relocation of households is necessary, a thorough consultation process with the affected tenants takes place and Vesteda aims to find alternative accommodation. Tenants are informed throughout the process and are kept abreast of developments. As per current legislation, at least 70% agreement of the tenants is required in order to carry out the renovation proposal (depending on regulatory thresholds).

A parliamentary question has been raised on one project scheme questioning the due process of the temporary relocation of tenants during the renovations. It has been concluded that Vesteda acted legally. Nevertheless, the Promoter will be required to comply with dedicated contractual conditions stipulated below.

Other Environmental and Social Aspects

The Promoter is committed to important international frameworks such as the Sustainable Development Goals (SDGs) of the United Nations, in particular SDGs 7, 11 & 12, and the United Nation's Principles for Responsible Investment (UN PRIs). The capacity of the Promoter to manage and monitor the environmental, social and climate related issues is deemed good.

Conclusions and Recommendations

Given the size of each one of the schemes, the Project falls outside of the scope of the Environmental Impact Assessment (EIA) Directive 2014/52/EU amending EIA Directive 2011/92/EU. In addition, the Project does not have a significant effect on any conservation site in accordance with the Habitats (92/43/EEC) and Birds (79/409/EEC) Directives.

The building schemes to be financed under the project have to comply with high environmental standards and will significantly contribute to the improvement of the urban environment. It is expected that the investments will result in a number of positive social externalities, e.g. create better health conditions for tenants, reduce energy consumption of residential buildings and accelerate the supply of affordable housing for lower to middle-income households in urban agglomerations with very tense residential markets.

The Project is developed under a demanding regulatory framework and implemented by an experienced Promoter. Any environmental effects such as disturbances during construction should be mitigated by appropriate measures.



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The overall environmental and social impact of the Project is expected to be positive, with notable social positive externalities.

The following condition and undertakings will apply:

Disbursement Condition

- Prior to the disbursement of the amount relevant to the Surinameplein / Klokkenhof scheme (approximately 20% of the total investment cost), the Promoter will provide confirmation that the relevant units are vacant, having been released by the previous tenants, and that there are no pending or reasonably forecasted litigations in relation to such units.

Undertaking

- The promoter shall follow national regulation related to expropriation as well as EIB E&S standards.

Therefore, given the above condition and undertaking being met, the operation is considered to be acceptable for Bank financing in environmental and social terms.