



Luxembourg, 10.07.2023

## Environmental and Social Data Sheet

### Overview

Project Name:	CDC BOOSTER LOGEMENT SOCIAL MBIL
Project Number:	2022-0458
Country:	France
Project Description:	Multi-beneficiary intermediated loan to finance the production of social housing in France.
EIA required:	no
Project included in Carbon Footprint Exercise:	no

### Environmental and Social Assessment

#### Environmental Assessment

This is the second “Booster” loan operation with the Caisse des Dépôts et Consignations (CDC), following the CDC LOGEMENT SOCIAL MBIL 2020-0067. The present operation consists of a €500 million loan intermediated through CDC to support social housing entities (SHE) in their production of social housing in France. The operation is expected to partially finance the construction of approximately 33 000 social housing units, corresponding to a total investment of approximately €5 billion.

Relevant EU environmental Directives have been transposed into French legislation and the SHEs’ compliance with these regulations is being supervised by national entities (“Chambres régionales des comptes” and the “Cour des comptes” (Regional Chambers of Accounts and the Court of Auditors) as well as the National Social Housing Control Agency (ANCOLS)).

This operation will overall contribute to improving the energy efficiency of the social housing stock in France. Given the scale and nature of the sub-projects, an EIA (Environmental Impact Assessment), as defined under EIA Directive 2014/52/EU, amending Directive 2011/92/EU, is normally not required. Exceptionally, a scheme may fall under Annex II of the EIA Directive. In these cases, the Bank will require the Promoter to act according to the Directive as transposed into national law. Should the relevant competent authority screen in a scheme, the CDC shall deliver to the Bank the Environmental Impact Study (EIS) of the EIA or provide a link where these documents are publicly available. CDC will ensure that the operation, as implemented by the SHEs, follows relevant environmental legislation, and has a reporting duty to the EIB in case there is a breach.

#### Social Assessment, where applicable

CDC’s “Booster” loans are expected to have a positive social impact since they will encourage the development of the social housing offer, tailored to the needs of the regions and in line with applicable building standards. It will thus reduce the problems linked to access to housing (i.e. waiting lists) and improve housing quality conditions for low income households.

#### Public Consultation and Stakeholder Engagement



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CDC and its subsidiaries constitute a public group serving the general interest and the economic development of the country including the support of public policies by local authorities linked to urban, environmental and social matters.

In France, two consultation methods exist: “compulsory” consultation or “optional” consultation as per the town planning code (Article L103-210). These consultations aim to inform and involve the public (including in particular local habitants and associations) upstream of a development, construction or urban renewal operation. In the context of this operation:

- Consultation is compulsory: in cases where a social landlord carries out a rehabilitation operation having an impact on rents or rental charges (Article R. 442-24 of the Construction and Housing Code). This consultation must relate to the work programme, the terms and conditions, the expected benefits in terms of energy efficiency and the contribution of the tenants.
- Consultation is optional: for work or development projects subject to building permits or development permits, other than those already subject to compulsory consultation (article L.103-2 of the Town Planning Code).

### **Other Environmental and Social Aspects**

The CDC has the required organisational set-up, with experienced teams responsible for the due diligence and monitoring processes coordinating the implementation of social housing financing. The CDC has developed an in-house system to trace and report allocation of EIB funds and to ensure compliance with the EIB Group’s environmental, climate and social requirements.

CDC has also in place a well-developed Environmental and Social Management System (ESMS), which includes a Responsible Investment Policy that describes the commitments, objectives and indicators defined for managing environmental and social risks and is updated regularly.

Overall, the CDC is deemed to have adequate capacity and systems to monitor the final beneficiaries (public entities), to ensure that schemes financed by the operation comply with the Bank’s environmental and social requirements.

### **Conclusions and Recommendations**

As the operation involves construction works according to local urban planning conditions, with appropriate environmental assessment measures in place, no significant impact is expected on the environment. The Borrower, when granting financing to the final beneficiaries, ensures that all projects comply with national law as well as the relevant EIB’s Environmental and Social standards.

The proposed operation should help to (1) improve the supply of social housing, which the private sector alone does not provide adequately; (2) facilitate tenant mobility through the supply of social housing (up- or downsizing, geographic mobility); (3) energy efficiency and (4) cohesion for part of the portfolio.

CDC is a well-known client of the Bank and has a strong capacity for implementing and monitoring operations. In addition, the social housing sector in France is strongly regulated. CDC has been appraised and found to be capable to select schemes complying with the Bank’s specific procedures and eligibility criteria, in particular regarding the environmental and social aspects. The overall environmental and social impact of the project is expected to be positive. Given the size and nature of the projects, any negative environmental impacts are expected to



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be residual and adequately managed and/or mitigated. The project is therefore considered to be acceptable for Bank financing from an environmental and social compliance perspective.