

Luxembourg, 12th July 2023

Environmental and Social Data Sheet

Overview

Project Name:	VALEO AUTOMOTIVE GREEN BOND FRAMEWORK
Project Number:	2023-0183
Country:	France
Project Description:	Purchase by the EIB of Green Bond instruments issued by Valeo under its Green Financing Framework (2023), the proceeds of which will finance new eligible projects, compliant with the EU Taxonomy and the Bank's Climate Action and Environmental Sustainability (CAES) framework and eligibility criteria.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The operation consists in the purchase by the EIB of publicly offered Green Bond instruments issued by entities part of Valeo, a Tier-1 automotive supplier, partnering with automakers worldwide that proposes innovative products and systems contributing to the reduction of CO₂ emissions and the development of more autonomous driving.

The Green Bonds will be issued under Valeo's Green and Sustainability-Linked Financing Framework, to be published in its final version in July 2023, which sets out the applicable eligibility criteria for the use of proceeds, their management, allocation, as well as reporting processes on proceeds allocation and impact. This Framework is going to receive a second party opinion confirming that it is aligned with the Green Bond principles 2021, that three eligible project categories will follow the substantial contribution criteria of the EU Taxonomy Climate Delegated Acts and two eligible project categories will follow the draft substantial contribution criteria of the Platform on Sustainable Finance on the remaining four objectives published in March and November 2022 and the draft EU Taxonomy Delegated Acts on the non-climate environmental objectives.

The proceeds from EIB purchase of Green Bonds will be used to finance eligible new projects, which will contribute to the Bank's Climate Action and Environmental Sustainability (CAES) objectives.

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 projects to be financed with the proceeds from EIB purchase of Green Bonds are expected to be primarily clean transportation projects concerning the development of zero emission technologies, smart mobility and electric vehicles recharging installations.

The EIB environmental and social due diligence focused on the promoter's capacity to implement the eligible projects in line with the EIB Environmental and Social Standards and requirements as applied to capital market transactions.

All projects under this operation are expected to be in line with EIB Climate Action and Environmental Sustainability (CA&ES) eligibility requirements, and with limited negative environmental impacts, when properly mitigated.

Due to their technical characteristics, the investments to be financed with the proceeds from EIB purchase of Green Bonds are expected not to fall under Annex I or II of Directive 2014/52/EU amending EIA Directive 2011/92/EU.

For all projects financed with the proceeds of the Green Bonds, the Promoter will be required to ensure compliance with relevant EU Directives and with EIB Environmental and Social (E&S) Standards. In all cases where an EIA is required, the Promoter will be required to fulfil the requirements of the environmental impact studies (EIA studies or/and others) and Environmental Permits.

The Promoter shall be required to retain appropriate records evidencing the fact that the schemes are in line with the Bank's environmental and social requirements and EU legislation.

EIB Paris Alignment for Counterparties (PATH) Framework

- The counterparty is in scope and screened out for the PATH framework, as its activities are not included in the list of EIB sub-sectors and segments in high emitting sectors and for high vulnerability.

Other Environmental and Social Aspects

The Promoter assesses environment, climate and social risks through a certified Environmental Management System (EMS) in accordance with ISO 14001 standard, as set out in its Environmental Charter and its Sustainable Development Charter. Valeo is committed to applying its Group's risk management policy in terms of environment, safety and security and certification across all sites.

At the end of 2022, 145 (94% of total) plants had been certified ISO 14001 and 120 (78% of total) plants had been certified ISO 45001, out of a total of 154 eligible plants. In 2013, Valeo launched a certification program for its manufacturing plants in accordance with ISO 50001 (relating to energy management systems) and at the end of 2022 60 plants (40%) had been certified ISO 50001 out of a total of 154 eligible plants.

A committee of the Board of Directors is in charge of all related sustainable development and corporate social responsibility aspects of the promoter.

Conclusions and Recommendations

The Bank has reviewed the E&S risks associated with the operation as well as the E&S capacity of the Promoter. The promoter's E&S policies and management and its capacity to comply with the EIB's Environmental and Social Standards have been assessed and found to be adequate and commensurate with the E&S risk of the underlying projects.



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The operation is considered acceptable for Bank financing from a social and environmental point of view, with the following undertakings:

- Whenever applicable, the Promoter undertakes to fulfil the requirements of the environmental impact studies (EIA studies or/and others) and Environmental Permits.
- For all projects financed with the Green Bonds proceeds that require an EIA, the Promoter will make sure the EIA studies are publicly available.
- For projects that may have an impact on a nature conservation site, the promoter shall obtain confirmation from the competent nature conservation authority, or an equivalent confirmation, that the scheme does not have a significant negative impact on any such site. The Promoter shall not use the proceeds of the bond to finance projects with significant negative impacts on a nature conservation site.
- All Green Projects financed with the proceeds from EIB purchase of the Green Bonds will be in line with EIB Climate Action and Environmental Sustainability eligibility criteria.