

Luxembourg, 28 May 2024

## Environmental and Social Data Sheet

### Overview

Project Name:	<i>CESKE DRAHY ROLLING STOCK MODERNISATION III</i>
Project Number:	2023-0463
Country:	<i>Czech Republic</i>
Project Description:	<i>Acquisition of 20 new locomotives and 180 coaches, as well as retrofit of 219 units of existing fleet with European Rail Traffic Management System (ERTMS)</i>
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	yes

(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

### Environmental and Social Assessment

The project consists of two components:

- ERTMS retrofit of 219 vehicles of the existing fleet.
- Acquisition of new rolling stock (20 new locomotives and 180 coaches).

The ERTMS retrofit will involve a total of 219 units, consisting of 77 electric multiple units (EMUs), 79 diesel multiple units (DMUs), 10 diesel locomotives, and 53 driving trailers. Among driving trailers, series 8091 RjJt are used for electric operations only, series 961 are used for mixed diesel and electric operations, and series 954 are used for diesel operation only.

The retrofitted vehicles will be used for regional and long-distance passenger services in the Czech Republic and potentially to some extent in Germany, Austria, Slovakia, Poland, Denmark and Hungary.

The ERTMS retrofit will respond to the growing demand for safe regional and long-distance passenger rail services, by enabling future increase in line capacity and in average operational speeds. The installation of ERTMS will also contribute to achieving interoperability of the EU railway system. The project is expected to improve reliability, frequency and safety of rail services, contributing to fostering attractiveness of rail transport.

The newly acquired locomotives and coaches will be used to form 20 train compositions (each one with 9 coaches) and will be used for long-distance international connections between the Czech Republic and Slovakia, Hungary, Austria, Germany (including on high-speed lines up to 230 km/h), and Denmark.

The new locomotives and coaches will be equipped with state-of-the-art technology in terms of energy efficiency and will conform to the EU Technical Specifications for Interoperability concerning noise and accessibility for persons with reduced mobility and persons with

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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disabilities. The new units will replace vehicles that are mostly at the end of or beyond their economic life, do not meet the current passenger expectations of performance and comfort and represent a deterrent for those who would potentially switch from private car to rail.

The routine maintenance of the new locomotives and coaches will be executed in a new workshop with four 300m tracks that will be built in the area of the existing depot OCÚ Střed located in SÚ Praha Jih. The heavy maintenance will be carried out either in the SÚ Vršovice maintenance area or in the maintenance facilities of DPOV a.s. (a subsidiary of České Drahy).

The OCÚ Střed depot SÚ Praha Jih is located in an area subject to flooding (the latest flooding event affecting the area was in 2002). České Drahy is currently preparing a study, in cooperation with an engineering consultant, from which recommendations and preventive measures are expected to emerge.

Extension and modernisation works of the OCÚ Střed depot SÚ Praha Jih are not part of the EIB-financed project.

The replaced rolling stock will be scrapped or redeployed to other services replacing older units, which will be scrapped. Any scrapping will be carried out by companies specifically authorised for this activity.

Retrofitting of rail rolling stock as well as purchase of rolling stock do not fall under either Annex I or Annex II of the Environmental Impact Assessment (EIA) Directive 2011/92/EU as amended by Directive 2014/52/EU, therefore, no EIA is required. The retrofit of DMUs and driving trailers to be used with diesel locomotives will bring demonstrable safety improvements without extending the life of the assets.

The project has been assessed by the Bank's services as aligned with the objectives of the Paris Agreement in accordance with the criteria set out in the EIB Climate Bank Roadmap Annex 2 as it consists of acquisition of zero direct emission mobile assets and retrofits of existing rolling stock, which bring demonstrable environmental and safety improvements to the České Drahy fleet.

Furthermore, the climate risk of the project is assessed as low and, therefore, it is considered to be aligned with the resilience goal.

### **EIB Carbon Footprint Exercise**

The project is included on the following basis:

Estimated annual emissions of the project in a standard year of operation:

- Estimated absolute (gross) emissions are 53,790 tonnes of CO<sub>2</sub> equivalent/year;
- Estimated emissions savings are 6,320 tonnes of CO<sub>2</sub> equivalent/year

The project assessment boundaries are:

- In the absolute case: the acquisition of 20 new train compositions (20 locomotives and 180 coaches).
- In the baseline case: the existing trains that will be replaced, assuming 15% in efficiency gain with the new trains.

The forecasts in the baseline and absolute cases are based on Bank Services' project specific assumptions about the workload of rail services and energy efficiency of rail operations. The baseline case does not include the emissions from road traffic generated by trips expected to shift from rail to road in the "without project" case.

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 cost.



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These forecasts may differ from those of the implementing agency due to different assumptions, boundaries and baselines.

### **EIB Paris Alignment for Counterparties (PATH) Framework**

The counterparty České Dráhy, a.s. (CD) is in scope and screened out of the PATH framework, because it is not considered high emitting and/or high vulnerability.

### **Social Assessment**

The project generates good social benefits by improving safety, reliability and frequency of the services, reducing the journey time and contributing to developing international rail services.

The new rolling stock will be in conformity with the applicable Technical Specifications for Interoperability (TSI), including the Regulation 2014/1300 on the technical specifications for interoperability relating to accessibility of the Union's rail system for persons with disabilities and persons with reduced mobility (PRM).

## **Conclusions and Recommendations**

The project is expected to contribute to sustaining the modal share of rail and has positive environmental and social impact in terms of safety, accessibility of rail transport, energy savings, air pollution, noise and CO2 emissions.

The Promoter shall undertake to provide evidence of conformity with the environmental legislation of the works for modernisation and extension of the depot OCÚ Střed located in SÚ Praha Jih, and provide information on the flood protection measures adopted.

Under conditions above, the project is acceptable for EIB financing from an environmental and social perspective.