

Luxembourg, 14/11/2024

## Environmental and Social Data Sheet

### Overview

Project Name: *ARKEA EFFICACITE ENERGETIQUE FL*  
 Project Number: 2023-0941  
 Country: *FRANCE*  
 Project Description: Financing of small- to mid-sized energy efficiency investments undertaken by public sector entities in France.

EIA required: yes

Project included in Carbon Footprint Exercise<sup>1</sup>: no  
 (details for projects included are provided in section: "EIB Carbon Footprint Exercise")

### Environmental and Social Assessment

#### Environmental Assessment

The operation is an intermediated loan 100% dedicated to climate action and environmental sustainability investments undertaken by public entities in France. The sectors targeted include energy efficiency renovations in public buildings, renewal energy, such as PV, biomass heat plant, green mobility and district heating/cooling networks for municipalities.

The operation will contribute to the EU energy and climate objectives by supporting investments in energy efficiency and renewable energy contributing to the implementation of the EU Energy Performance of Buildings Directive (EPBD) and the Energy Efficiency Directive (EED).

Most of the projects are not expected to require an Environmental Impact Assessment (EIA), but exceptionally some may require an EIA under Annex II of Directive 2014/52/EU amending Directive 2011/92/EU, leaving it to the national competent authority to determine according to Annex III of the said Directive whether an EIA is required.

Most of the individual schemes to be financed are likely to have limited negative environmental impacts which are expected to be mitigated appropriately. For projects that require an EIA, the Bank will require the Financial Intermediaries to store and keep updated any documents that may be relevant for the project (including EIA screening decisions, environmental studies, environmental monitoring reports or equivalent documents) supporting the compliance with the EIA Directive and national environmental regulations. The Financial Intermediary shall upon request promptly deliver such documents to the Bank.

Schemes located inside of the Natura 2000 areas and schemes located in the vicinity of Natura 2000 sites which are subject to an appropriate assessment in line with the Habitats Directive shall not be eligible.

<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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In the case of biofuels, bioliquids and biomass fuels used for the FI's operations, these are required to be sustainably produced and comply with the EU sustainability criteria of the revised Directive (EU) 2018/2001 and EU Taxonomy Delegated Act.

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

ARKEA is in scope of the PATH procedure for financial intermediaries. It already publishes dedicated reporting in line with TCFD recommendations (the 2022 report is available at the following [Link](#) ). It is hence considered to meet the PATH requirements.

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

Arkea has integrated of Environmental, Social, and Governance (ESG) criteria into its activities through a Climate Strategy based on the United Nation Compact social responsibility initiative and its 10 principles around human rights, labour standards, the environment and anti-corruption.

The investments will generate social benefits, in terms of alleviating energy poverty, increasing the security of supply and supporting employment generation.

Arkea will be required to undertake reasonable efforts in case of concern to mitigate against the risk of forced labour in the solar PV supply chain. This will include enhanced due diligence where practically achievable and ensuring that relevant obligations are passed on in supplier contracts.

## **Conclusions and Recommendations**

The Bank has reviewed the E&S risks associated with the operation as well as the E&S capacity of the FI. It is considered that the environmental procedures carried out for individual schemes, verified by the FI, will appropriately address environmental issues and ensure that the schemes to be part-financed under this framework loan meet the Bank's requirements.

The following E&S disbursement conditions and undertakings will be included in the finance contract:

- The FI shall ensure that schemes benefiting from EIB support comply with national and EU legislation .
- If a scheme falls under Annex I or Annex II of the EIA Directive, the FI shall ensure that the project's promoters comply with the provisions of the EIA Directive as transposed into national law. When relevant, the FI shall deliver to the Bank the EIA report and other relevant environmental documents.
- Projects located inside Natura 2000 sites and projects with significant negative impacts on areas with high biodiversity value shall not be eligible.
- The FI will be required to undertake, on a reasonable effort basis, enhanced due diligence (supply chain mapping of the PV module manufacturers reaching the level of silicon/polysilicon suppliers and/or declarations by the PV module manufacturers concerning the origin of the components used in the PV modules, per project) also guided by the FI's human rights commitment, and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the projects.

Under these conditions, the project is considered to be acceptable for Bank financing from an environmental and social compliance perspective.