

Luxembourg, 24/06/2025

**Public**

## Environmental and Social Data Sheet<sup>1</sup>

### Overview

Project Name:	<i>ENERGY AND ENVIRONMENTAL SUSTAINABILITY II</i>
Project Number:	<i>2024-0574</i>
Country:	<i>Portugal</i>
Project Description:	<i>The Project concerns the investment programme of Sonae MC in the following areas: i) replacement of existing refrigeration systems by more efficient ones; ii) installation of photovoltaic panels with energy storage systems in supermarkets; iii) electric vehicles charging points; and iv) waste management and recycling.</i>
EIA required:	no
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise <sup>2</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

The operation concerns an investment loan to finance energy efficiency (EE), renewable energy and waste collection underlying projects in existing retail stores in Portugal. The investments are expected to reduce the energy consumption of the stores by replacing existing refrigeration systems with more efficient ones that use refrigerants, such as CO<sub>2</sub>, with a lower environmental impact (Global Warming Potential). The operation envisages also the installation of building-integrated photovoltaic systems with energy storage batteries and EV-charging points in the stores. The investments into reverse vending machines for the collection of beverage containers (plastic and can material) waste packaging are expected to increase material recovery and reduce emissions from waste management.

The operation aligns with the Bank's priority lending objectives for energy efficiency (EE), supporting the Climate Action objective (100%), and with the waste management and circular economy objective. Therefore, the operation will contribute to the EU energy and climate objectives, supporting the objectives of EU "Energy Performance of Buildings Directive (EPBD)"

<sup>1</sup> The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary

<sup>2</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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(EU/2010/31 as revised by EU/2024/1275) and of the "Energy Efficiency Directive (EED) EU 2023/1791", in the application of the "energy efficiency first principle". The operation aligns also to the core principles of "REPowerEU" in relation to EU's clean energy transition and to increase Europe's energy independence.

With the substitution of existing refrigerant systems with new and more efficient systems with low GWP refrigerant gases, the projects also align with the objective of the fluorinated gas (F-gas) EU regulation 2024/573. The waste collection investments will contribute to the circular economy objectives and the EU Circular Economy Action Plan.

The energy efficiency measures in the refrigeration systems will contribute to reducing energy consumption and operational energy costs for the Promoter, leading to an expected average yearly decrease in primary energy consumption of around 24 200 MWh. The photovoltaic systems are expected to generate yearly 59 200 MWh of clean energy, corresponding to the yearly electric consumptions of more than 16 600 households in Portugal.

Minor temporary negative environmental impacts (noise, dust) might be expected, which are expected to be fully mitigated by proper works management. However, the cumulative impact of the projects could generate significant environmental benefits in terms of reduction of air pollutants and GHG emissions.

The capacity of the Promoter to manage environmental, social impacts and risks of projects in line with the Bank's requirements and the national legislation has been appraised and is deemed satisfactory.

## Climate Assessment

**Climate change mitigation:** All the schemes under the operation will support climate-change mitigation. The energy efficiency projects under the loan are expected to lead to a decrease in energy consumption of the retail stores, resulting in significant reduced CO<sub>2</sub> emissions through the replacement of refrigeration systems with more efficient systems and the production of renewable energy from the photovoltaic systems. Additional greenhouse gas emission savings are expected from the operation in relation to increased utilization and diffusion of electric vehicles and reduced emissions from waste management.

**Paris Alignment of projects:** The underlying projects to be included under this framework loan will be compliant with the energy efficiency criteria under the energy lending policy and thus Paris aligned.

## EIB Paris Alignment for Counterparties (PATH) Framework

The promoter MCRetail, S.G.P.S., S.A., is in scope and screened out of the PATH framework, because it is not considered high emitting and not high vulnerability.

## EIB Carbon Footprint Exercise

The expected emission savings from the implementation of energy efficiency measures and PV installations are estimated at 16 400 tonnes of CO<sub>2</sub> equivalent per year, representing approximately 30% reduction compared to the baseline. The emission savings are estimated considering the energy consumptions of the retail stores of the promoter subject to energy efficiency measures and PV installation before and after the implementation of the projects.

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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## Social Assessment

The investments will generate social benefits, in terms of supporting better health through reduced emissions, resulting in improved air quality. It will also support employment creation and economic growth in the target regions as energy efficiency projects often require skilled labour for installation, maintenance, and operation, stimulating local economies. Furthermore, investments in reverse vending machines will increase waste recycling rates and raise public awareness about sustainable waste management practices.

Regarding the renewable energy projects, the Promoter has in place procurement procedures which include the evaluation of environmental, social and governance aspects of suppliers and will be required, in case of concern, to undertake reasonable efforts 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.

## Other Environmental and Social Aspects

The Promoter is deemed capable to implement the investments based on its internal technical expertise, know-how and governance. It published its ESG strategy for the period 2023 to 2026 with one of the targets being carbon-neutral operations by 2040 in line with the 1.5°C scenario. The Promoter has committed to a climate path for neutrality by 2040.

## Conclusions and Recommendations

The overall environmental and social impact of the Project is expected to be positive. Given the size, nature and location (retail stores) of the schemes, any temporary negative environmental impacts are expected to be minor.

Sustainability proofing: in the Sustainability Strategy (2023-26) of the promoter procedures and systems are in place to deal with sustainability and environmental aspects, as well as commitments in relation to Climate Action, Circular Economy, Sustainable production, respect for human rights, equal treatment and other social aspects (as information in the annual company reports). The strategy includes policy on environmental and social responsibility and procedure addressing relevant climate, environmental or social risks and impacts. In addition, the Promoter holds a corporate environmental certification following the standard NP EN ISO 14001 as well on most its assets in the operational area.

Based on the Sustainability strategy in place the promoter is considered capable to:

- Screen all the underlying projects of the operation against the list of activities excluded for Invest EU support and against EIB exclusion list.
- Ensure that all projects in the operation will be in accordance with the relevant national environmental, climate and social legislation, as relevant.

The Promoter is required to:

- Ensure that all investments comply with national and European legislation (where applicable).
- Maintain sound environmental, climate and social management practices and necessary organisational capacity to manage environmental, climate and social risks, and allocating appropriate human and financial resources for this function.
- Apply best sustainability practices.
- Undertake, on a best effort basis, to perform enhanced due diligence of the supply chain of the solar PV module manufacturers, also guided by the Promoter's human



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rights commitment, and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub-projects.

The Project is therefore considered to be acceptable for Bank financing from an environmental and social compliance perspective.