

Environmental and Social Data Sheet

Overview

Project Name:	<i>GINKGO FUND II</i>
Project Number:	<i>2015 0248</i>
Country:	<i>Multiple countries</i>
Project Description:	<i>Infrastructure fund for the remediation of contaminated sites in the EU (mainly in France and Belgium)</i>
EIA required:	<i>Multiple projects (SPVs), some may require an EIA</i>

Project included in Carbon Footprint Exercise¹: *no*

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

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The operation comprises investment in a Fund which targets the acquisition, remediation and development of approximately 10 polluted brownfield sites in urban areas. The environmental remediation of these sites is expected to bring strong environmental benefits through removing sources of pollution, preventing future pollution, or in some cases mitigating pollution through containment. The Fund also promotes the use of innovative technological approaches for remediation, and increased resource efficiency through the re-use of derelict sites, efficient use of urban infrastructure and reduced need for greenfield development. On-site treatment and recycling, the re-use of treated materials during the construction process is in line with the circular economy principles. The Fund Manager's waste treatment and disposal procedures are considered to be sound.

During the investment process, detailed environmental audits of sites to be rehabilitated are carried out before and after remediation in line with national legislation in the relevant Member State (most of the sites will be located in France and Belgium) as well as EU Directives using in-house expertise from the Fund Manager or third party remediation services providers. All third party remediation service providers, including asbestos removal and demolition specialists, stability and infrastructure service providers selected by the Fund Manager are qualified experts duly authorized by the relevant authorities to carry on their specific tasks under applicable laws and regulations.

In addition, investments are closely scrutinised by the municipal, regional and prefectural authorities prior to the approval of land use changes (if required), and construction permits; the authorities also typically stipulate environmental monitoring requirements post-remediation.

Given the considerable in-house and external environmental expertise on which the Fund can draw, the suitable use of environmental auditing and remediation technology, and the involvement of environmental and planning authorities in the approval of new land uses, the residual environmental risk is considered modest and the operation has potential to generate significant positive environmental and social benefits.

The Fund Manager will be required to act according to the provisions of the relevant EU Directives, including the EIA, SEA, Habitats and Birds Directives. The Fund Manager shall

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

verify the compliance of the schemes with the relevant and applicable rules of the European Union legislation, in particular in the fields of environment. The Fund Manager shall deliver to the Bank a confirmation or equivalent that the schemes have no significant impact on nature sites of Community Importance or their equivalents, as well as the NTS of EIAs where applicable.

Environmental and Social Assessment

The sites to be remediated are typically polluted either from industrial or, in some cases, former military use, and typically have remained derelict for many years. The environmental remediation of these sites so that they can be developed for new industrial or other land uses is the key focus of the Fund's activities, which are therefore expected to bring strong environmental benefits through removing sources of pollution, preventing future pollution, or in some cases mitigating pollution through containment.

Environmental audits carried out during the investment process examine the nature and extent of pollution at the site, its impacts at and beyond the site, its causes, remediation options, recommended remediation activities, and post-remediation environmental monitoring. Environmental audits are closely scrutinized by the municipal, regional and prefectural authorities prior to the approval of land use changes (if required), and construction permits; the authorities typically stipulate environmental monitoring requirements for 5-10 years after remediation, which are budgeted in the project cost.

The Fund makes use of a full range of remediation techniques. Their preference is to treat pollution on-site (e.g. treatment of water plumes using mobile treatment plant with reinjection of decontaminated water), because there is reduced environmental impact from transportation of waste material, because it enables the re-use of treated material within the construction project, and because it is typically more cost-effective. However, where space is limited or the timetable is too tight, treatment off-site is carried out.

The Fund Manager has staff with extensive experience in environmental remediation, and is experienced in the use of external environmental auditors and specialist remediation firms, for example in the area of asbestos removal.

Investments under the project will be located in urban areas, it is expected that no protected Natura 2000 sites will be affected by any of the schemes. However, should any scheme have any significant impact on a protected site, the Competent Authority has to provide evidence of the compliance with the Habitats (92/43/EEC) and Birds (2009/147/EC) Directives (Form A/B or equivalent) before the Bank funds are allocated.

In case of new construction of real estate, the Bank requires the Fund Manager to deliver Energy Performance Certificates in line with the EU Directive 2010/31/EU upon request after completion of works.

With regard to social benefits, the projects carried out by the Fund are expected to result in the construction of social or affordable housing within the mix of residential development at redeveloped sites. The Fund supports the development of mixed housing and experience from earlier projects carried out by the fund manager has been that between 5% and 30% of the residential developments comprise social or affordable housing.

Public consultation is systematically carried out for land use change and Masterplanning, e.g. changing the "Plan Local d'Urbanisme" or "Permis d'Urbanisation". The remediation plan approval process does not require public consultation nor do the construction permits.