

## Environmental and Social Data Sheet

### Overview

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| Project Name:                                                                                                                           | BROWNFIELDS 3                                                                                                                                                  |
| Project Number:                                                                                                                         | 2017-0290                                                                                                                                                      |
| Countries:                                                                                                                              | France, Belgium, Luxembourg, Spain, Poland                                                                                                                     |
| Project Description:                                                                                                                    | Infrastructure fund investing in the remediation and redevelopment of polluted sites in France, and potentially also in Belgium, Luxembourg, Spain and Poland. |
| EIA required:                                                                                                                           | Multiple projects (Equity fund)                                                                                                                                |
| Some of the Fund's underlying investments may fall under Annex I or II of EIA Directive 2011/92/EU (as amended by Directive 2014/52/EU) |                                                                                                                                                                |
| Project included in Carbon Footprint Exercise <sup>1</sup> :                                                                            | no                                                                                                                                                             |

### Environmental and Social Assessment

#### Environmental Assessment

This operation concerns an equity investment which will finance the acquisition, depollution and redevelopment of urban brownfield sites. The environmental remediation of these sites is expected to bring strong environmental benefits through removing or containing pollution sources and preventing future spreading of pollution. The operation 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.

Some of the Fund's underlying investments may fall under Annex I or II of EIA Directive 2014/52/EU (amending Directive 2011/92/EU), requiring a full Environmental Impact Assessment (EIA) or EIA screening by the national competent authority on the basis of Annex III to determine the need for a full EIA. Since the Funds' investments will be located exclusively in existing urban brownfield sites, the Fund Manager does not expect any investment to be located in a Natura 2000 site or in its surroundings.

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; in France the authorities typically stipulate environmental monitoring requirements for 4 years after remediation, which are budgeted in the project cost.

The Fund 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.

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

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), since this reduces environmental impact from transportation of waste material, enables the re-use of treated material within the construction project, and typically also is more cost-effective. However, where space is limited or the timetable is too tight, treatment off-site is carried out.

The construction/reconstruction works are expected to have some minor negative impacts during the remediation and construction period. Once the works are completed, it is generally expected that the overall net environmental impact will be positive.

### **Social Assessment**

With regard to social benefits, the operation is expected to result in the construction of social or affordable housing within the mix of residential development at redeveloped sites. The Fund investments will contribute to improve social inclusion and supports the development of mixed housing. Experience from earlier projects carried out by the fund manager has been that up to 30% of the residential development comprises social or affordable housing.

In addition, the Funds' investments are expected to focus on inner city regeneration, targeting poorer or derelict neighbourhoods as a priority. In addition to increasing the attractiveness of those areas to private sector investors and economic activities, the investments may also include public spaces, social and cultural infrastructure (e.g. sport facilities, cultural centres) that will contribute to improve the quality of life of citizens.

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

In addition to the improvement of environmental quality resulting from the remediation of previously contaminated sites, the projects financed by the Fund are expected to generate several additional environmental and social benefits. To start with, the Promoter is committed to redevelop the majority of former brownfield sites as nearly-zero energy buildings (NZEBS), thereby making a significant contribution to the climate change mitigation's objectives of the EIB. Furthermore, the fact that urban brownfields will be brought back into productive use is in line with the principles of circular economy, since it will contribute to a more efficient use of space in high value areas (such as city centres) and limit the consumption of greenfield land.

## **Conclusions and Recommendations**

Overall, the investments to be carried out by the Fund are expected to generate a wide range of positive environmental and social impacts, despite some possible minor negative impacts during the remediation and construction period. The Fund Manager does not expect any investment to be located in a Natura 2000 site or in its surroundings.

The Fund Manager will be required to act according to the provisions of the relevant EU Directives, including SEA (2001/42/EC), EIA (2014/52/EU amending 2011/92/EU), Habitats (92/43/EEC) and Birds (2009/147/EC) Directives as transposed into national law. In projects where applicable, the Fund Manager will be requested to deliver the NTS of EIAs to the Bank.

Moreover, the Fund Manager shall, upon request submit to the Bank permits for brownfield remediation works and construction permits for the assets to be developed on remediated brownfield sites. In case of real estate developments, Energy Performance Certificates obtained in line with the EU Directive 2010/31/EU shall be submitted to the Bank upon request after completion of the works.

The institutional capacity of the Fund Manager to manage the environmental and social issues is deemed good. Therefore, given the nature of the operation and the procedures concerning EIA and nature protection put in place by the competent authorities, subject to the conditions mentioned above, the operation is acceptable in environmental and social terms.