

**Public**

## **Environmental and Social Data Sheet**

### **Overview**

Project Name:	GINKGO FUND III
Project Number:	202000579
Country:	France, Belgium, Spain
Project Description:	Infrastructure Fund investing in the regeneration of brownfield sites in selected EU Member States, mainly in France, Belgium, and Spain.
EIA required:	Multiple projects (Equity Fund), some may require an EIA
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**

This operation consists of EUR 60m equity to be invested into the GINKGO Fund III for the decontamination of brownfield sites to be further redeveloped into urban development projects mainly located in France, Belgium and Spain, but potentially in other EU countries such as Germany, Luxembourg, Italy and Portugal. The majority of the brownfield redevelopment efforts will be focused on land remediation and land development, however selected projects that meet the fund duration will be considered for full development and construction through co-developments with well-established real estate developers.

Before acquisition and after remediation, environmental audits and detailed analysis regarding the contaminating substances present on site are carried out following EU Directives and the particular Member States' legislation to fulfil regulatory and planning requirements and to mitigate environmental liability risks.

Previous industrial processes that led to the contamination of the sites are analysed to better understand any possible environmental risks. Any sites with exposure risks are demarcated and indicated with warning signs, and access is only allowed to those working on site. The decontamination process is carried out with a mixture of in-house and third party expertise to conduct the environmental due diligence and the land remediation. 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 out their specific tasks under the applicable

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<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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laws and regulations. As part of the planning permission process, the relevant public authorities stipulate any post-remediation environmental monitoring requirements.

The Fund Manager makes use of a full range of remediation techniques with a preference for treating pollution on-site, as this reduces Co2 emissions and other environmental impacts derived from the transportation of waste, and it enables a more efficient re-use of treated material. However, when this is not possible, treatment off-site is also carried out.

Noise, smells and vibrations from heavy traffic are expected during the decontamination phase. However, bio-products to fight against smells and adequate noise and traffic mitigation measures will be applied according to the relevant legislation.

During the development phase, investments are closely scrutinised by the competent authorities throughout the planning permission process, in case land changes are required and for obtaining the construction permits.

Given the considerable in-house and third party environmental expertise on which the Fund can draw on, the suitable use of environmental auditing and remediation technology, and the involvement of environmental and planning authorities in the planning permission process, the residual environmental risk is considered acceptable and the operation has potential to generate significant positive environmental and social benefits.

Land decontamination and remediation is expected to bring strong environmental benefits through removing the sources of land, ground water and air pollution. Cleaning up sites for further development is considered a sustainable urban development approach and it is at the core of more circular infrastructure investments. Thus, the Fund is expected to reduce pressure on greenfield development and mitigate the negative effects of urban sprawl. The use of innovative remediation technologies, on-site treatment, recycling, and re-use of materials during the decontamination phase is in line with circular economy principles. The Fund Manager's waste treatment and disposal procedures are deemed adequate.

Some of the Fund's underlying investments may fall under Annex I or II (screened in) 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. Should any of the investments fall under Annex II and be "screened in" by the Competent Authority, the Fund Manager shall deliver the full EIA report to the Bank, if applicable. For investments falling under Annex II and "screened out" by the Competent Authority based on Annex III criteria, the Fund Manager shall deliver a copy of the respective decision, upon de Bank's request.

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.

The Fund Manager has requested technical advisory support from the Natural Capital Finance Facility (NCFF) for the decontamination phase (for the application of biological treatments on the brownfield sites that are more respectful to the environment) and for the development of the urban infrastructure (for the application of nature based solutions).

### **Social Assessment, where applicable**

The Funds' investments are expected to focus on urban regeneration, targeting derelict sites as a priority. In addition to increasing the attractiveness of those areas to private sector investors and economic activities, the investments will also include social housing as well as community facilities that will contribute to improve citizens' quality of life.

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The investments' overall social impact is expected to be positive resulting from the implementation of the individual schemes with a high social and economic impact through expected schemes providing social housing and office space within mixed neighbourhoods.

Investments in urban development and renewal will improve the quality of public infrastructures and the overall public realm and will contribute to improving the cities' attractiveness.

### **Public Consultation and Stakeholder Engagement**

The consultation process is embedded by law in the planning process of the targeted Member States. Public consultations with residents and other stakeholders take place at an early stage of a project in order to take into account their demands and needs.

The Fund Manager will be required to send to the EIB the link to the public consultation when it is done.

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

The building permits for the individual schemes will stipulate the monitoring of environmental requirements prior to, during, and post construction.

The Fund has developed Environmental, Social and Governance (ESG) policies and impact strategies, which are integrated in its investment decisions and monitoring practices. It has also adopted a Socially Responsible Investment policy, which is also embedded in the Fund's processes.

## **Conclusions and Recommendations**

Land decontamination and remediation is expected to bring strong environmental benefits through removing the sources of land, ground water and air pollution. Cleaning up sites for further development is considered a sustainable urban development approach and it is at the core of more circular infrastructure investments. The Fund Manager has extensive experience in environmental remediation, and is experienced in the use of external environmental auditors and specialist remediation firms. The residual environmental risk is considered acceptable and the operation has potential to generate significant positive environmental and social benefits.

Some of the sites might be further redeveloped into urban development projects for new economic uses. Projects to be developed are selected on the basis of their economic potential and their measurable environmental and social impact. The investments' overall social impact is expected to be positive resulting from the implementation of the schemes with a high social and economic impact.

Although investments will be located in urban areas and are not expected to be located near a protected site, 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



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national law. In projects where applicable, the Fund Manager will be requested to deliver the NTS of EIAs to the Bank.

In relation to investments with energy efficiency components, the Promoter will be required to provide Energy Performance Certificates obtained in line with the EU Directive 2010/31/EU during implementation or after completion of works, upon the Bank's request.

The operation is a continuation of two similar equity operations with the Fund Manager that are fully invested. Overall, the Fund Manager's capacity 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.

PJ/SQM/ECSO 01.02.2019