

Luxembourg, 16 August 2023

Environmental and Social Data Sheet

Overview

Project Name:	SJ ROLLING STOCK	
Project Number:	2022-0374	
Country:	Sweden	
Project Description:	The project comprises the acquisition of 25 electric high-speed trainsets equipped by SJ to operate in Sweden, Norway and Denmark.	
EIA required:	no	
Project included in Carbon Footprint Exercise:	yes	

Environmental and Social Assessment

Environmental Assessment

The project consists of acquisition of 25 high speed trainsets with maximum speed up to 250 km/h to operate in Sweden, Norway and Denmark. The project intends to respond to the increasing demand for rail services in Sweden and better adapt the promoter's fleet to the development of some lines at 250 km/h. Through the project, the most obsolete long-distance rolling stock will be replaced while the overall capacity of the fleet will be increased, offering increased reliability, shorter travel time and better comfort for the passenger.

The trains will be initially deployed to Stockholm – Malmö, the route with highest demand in Sweden. The series operating on this line will then be redeployed to other lines replacing older trains in a cascade arrangement that will in turn lead to decommissioning and scrapping of some old locomotives and coaches beyond their economic life. The scrapping will be carried out by companies specially certified for this activity and undertaken in accordance with SJ's internal procedures on scrapping, which requires that:

- vehicles or components are scrapped in such a manner that the highest possible rate of materials' recycling is achieved which is technically and economically possible/feasible.
- Energy recovery by combustion of organic materials is only acceptable as a secondary option.
- Landfill of any part of the vehicle is not relevant for anything other than porcelain.
- Scrapping must comply with applicable laws and regulations.
- The scrapping company should preferably be ISO 14001 certified

Manufacturing of rail rolling stock does not fall under Annex I nor Annex II of the Environmental Impact Assessment (EIA) Directive (2011/92/EU as amended by Directive 2014/52/EU). Therefore, no EIA is required for the Project.

The new rolling stock will be equipped with state-of-the-art technology in terms of energy efficiency, and will be in conformity with the specifications for accessibility for persons with



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disabilities and persons with reduced mobility, as well for rolling stock noise emissions.

In Sweden the depots and station buildings are owned and managed by Jernhusen, a state owned company that rents out some of the space to SJ as well as to other operators. The maintenance of the rolling stock under the project will mainly take place in the existing depot of Hagalund in Stockholm. An existing workshop within Hagalund will be expanded to serve the trains financed under this project. This expansion will be within the boundaries of the current facilities, which are already consolidated industrial land use, and does not impact on Natura 2000 sites, thus the project falls under the Annex II of the EIA Directive and was screened out. Jernhusen has produced an environmental plan for the expansion that includes potential effects on environment and detailed requirements to be followed.

Jernhusen is currently planning the development of a new depot in Malmo, in the industrial area previously occupied by a sugar plant. Should the promoter decide to undertake some of the maintenance activities for the trains under this project within the new depot, the promoter would confirm to the Bank that the development of the new depot has been done in accordance with environmental national legislation, in particular with regards to the preparation of Environmental Impact Assessment.

The Promoter, SJ, has the appropriate skills and capacity to implement and operate the project. In particular, the rolling stock maintenance activity is certified in accordance with ISO 14000 Environmental Management Standards.

The main benefit of the operation consists of an expansion of the high-speed rail capacity, contributing to modal shift from road and air to rail, and to the associated positive impacts in terms of reduction of congestion, noise, energy consumption and associated emissions.

The project has been assessed by the Bank's services for Paris alignment in accordance with the policies set out in the Climate Bank Roadmap. The project consists of acquisition of zero direct emission mobile assets. Therefore, it is considered to be aligned against the low carbon goal. The climate risk of the project is assessed as low and, therefore, it is considered to be aligned against the resilience goal.

EIB Carbon Footprint Exercise

The project is included on the following basis:

Estimated annual greenhouse gas emissions from the use of the project in an average year of operation over a 20-year assessment period reflecting the business case:

- Forecast absolute (gross) emissions are 2,300 tonnes of CO₂ equivalent; and
- Forecast emissions savings are 77,700 tonnes of CO₂ equivalent.

The project assessment boundaries are:

- In the absolute case: services run with the new rolling stock;
- In the baseline case: the road and aviation traffic that is expected to be shifted to rail in the "with project" scenario, as well as the share of the new services that could still be run with the old rolling stock.

The forecasts in the baseline and absolute cases are based on Services' project specific assumptions about the workload of rail services, energy consumption of rail operations and fuel efficiency of other modes. In the baseline case, a portion of emissions from cars and air traffic is included using project specific emission factors, equivalent to those passenger trips expected to shift to rail in the "with project" case.



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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.

These forecasts may differ from those of the Promoter due to different assumptions, boundaries and baselines

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty SJ is in scope and screened out of the PATH framework, because it is not considered high emitting sector.

Conclusions and Recommendations

Jernhusen owns depots and rents out some of the space to SJ as well as to other operators. Jernushen is currently planning construction of some new depots and expansion of some of the existing ones with the objective of improving rolling stock maintenance capacity in the country, in line with rail development plans. The promoter will be required to confirm to the EIB the compliance of the expansion or construction of depots to be utilized by trains financed under this project with the national environmental legislation.

The project is expected to contribute to modal shift from road and aviation to rail transport, with associated positive environmental impact in terms of energy savings, air pollution, noise, CO2 emissions and transport safety.

The project is acceptable for EIB financing from an environmental and social perspective.