

Luxembourg, 05.07.2024

Environmental and Social Data Sheet

Overview

Project Name:	<i>BAVARIA ENERGY EFFICIENCY HOUSING II</i>
Project Number:	<i>2023 0015</i>
Country:	<i>Germany</i>
Project Description:	<i>This operation concerns an investment program comprising the construction of new energy efficient residential buildings and the refurbishment of residential buildings to higher EE standards.</i>
EIA required:	no
Project included in Carbon Footprint Exercise:	no

Environmental and Social Assessment

Environmental Assessment

- The operation concerns:
 - ✓ The construction of approximately 120 new residential units. These new buildings will have an EE performance at least 30% better than the near zero energy buildings (NZEB) levels in Germany.
 - ✓ The EE renovation of approximately 620 existing residential units, achieving at least 30% primary energy savings.
- All units will be for rent only and will be located in urban areas of Southern Germany.
- All sub-projects for new construction and renovation are expected to comply with EU-Taxonomy criteria (Substantial Contribution Criteria-Climate Mitigation), hence this operation will contribute 100% to EIB Climate Objectives.
- The Project is considered Paris aligned and consistent with the Climate Bank Roadmap.
- The implementation of the operation will contribute to the achievement of Germany's targets of carbon emissions' neutrality as set in the Climate Protection Act.
- The project is expected to generate yearly final energy savings of 3.7 GWh/year and a reduction of approximately 950 tons of CO₂ equivalent per year.

Efficiency gains:

- New Buildings. Higher EE performance will be achieved thanks to more stringent envelopes (low U-values) combined with low-carbon energy systems such as heat pump systems or PV panels. Some of the buildings will be also connected to low-carbon District Heating Network (DHN).
- Higher EE performance in existing buildings will be achieved thanks to (i) Insulation of the building envelope (basement, roof, walls); (ii) Replacement of



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the windows; (iii) Ventilation with heat recovery; (iv) Refurbishment of existing balconies and (v) in many cases replacement of existing carbon intensive energy sources (gas, fuel) for low-carbon energy sources such as low-carbon DH Network, solar energies and heat pumps.

- At construction stage, the project implementation may lead to increased noise and vibration level and may affect the quality of air. Adequate mitigation measures will be implemented together with the enforcement of best practices. The project impacts at construction stage are deemed reversible at a level that are deemed acceptable.
- The project will be in compliance with the EU Directive (2018/844/EU) amending the 2010 Energy Performance of Buildings Directive (Directive 2010/31/EU) and Directive 2018/2002/EU amending Directive 2012/27/EU on energy efficiency.
- The promoter is deemed to comply with all relevant EU Directives, particularly with regard to EU EIA Directive 2011/92/EU amended by 2014/52/EU, EU SEA Directive 2001/42/EC [transposed to the German legal framework by the Environmental Impact Assessment Act (*Gesetz über die Umweltverträglichkeitsprüfung* (UVP))], EU Habitats Directive 92/43/EEC and EU Birds Directive 2009/147/EC.
- Some of the projects, namely construction of new buildings, may fall under Annex I or Annex II of the Directive EIA Directive 2011/92/EU amended by 2014/52/EU.

EIB Paris Alignment for Counterparties (PATH) Framework

- The counterparty Dawonia Real Estate GmbH & CO KG (the Promoter) in scope and screened out of the PATH framework, because it is not considered high emitting and/or high vulnerability.

Social Assessment, where applicable

- Overall, the investments are expected to generate social benefits, in terms of supporting better health through improving indoor air quality, increase thermal comfort and supporting employment generation.

Public Consultation and Stakeholder Engagement

- For the new buildings' construction, when applicable, public consultation has been/will be carried out as part of the urban planning process, in conformity with the relevant EU and national legislation. Given the Promoter's extensive experience in managing similar projects, their experience to engage key stakeholders and properly manage public consultation processes is deemed appropriate.

Other Environmental and Social Aspects

- The Promoter has a clear ESG Framework Policy which describes how ESG has been integrated into the core business of all business areas, such as property management construction activities and portfolio management. These topics are covered by the ESG Department created in 2022.



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Conclusions and Recommendations

- The overall environmental and social impact of the Project is expected to be positive due to the reduction of the energy consumption and reduced GHG emissions and due to the improved indoor air quality, increase thermal comfort and supporting employment generation.
- If, exceptionally, a scheme falls under Annex II of the EIA Directive, the Bank will require the Promoter to act according to the provisions of the EIA Directive as transposed into national law.
- Should the relevant competent authority screen in a scheme, the Promoter shall deliver to the Bank the Non-Technical Summary (NTS) of the EIAs and the Environmental Impact Study (EIS).
- The project is therefore considered to be acceptable for Bank financing from an environmental and social compliance perspective.