



Luxembourg, 5 November 2023

Public

Environmental and Social Data Sheet¹

Overview

Project Name:	CANDELA (IEU GT)
Project Number:	2022-0956
Country:	Sweden
Project Description:	The promoter is a manufacturer of highly efficient electrical boats which targets leisure and commercial market segments. Established in Sweden in 2014, the Company develops, produces and commercialises boats with hydrofoiling technology which are exclusively powered by electricity. The Company aims to help accelerate the fossil free transition on sea transportation.
EIA required:	screening ongoing
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise ² :	no

Environmental and Saocial Assessment

Environmental Assessment

This project entails RDI activities, which will take place at the HQs in Stockholm. These activities do not require any additional environmental permits.

The manufacturing capacity expansion and related factory extension (in Rotebro, near Stockholm) of highly innovative electric powered vessels using moveable hydrofoils, flight control systems and stabilisation mechanisms (drive by wire) will require an additional environmental permit.

The expansion of the manufacturing facility in Rotebro falls under the scope of Annex II of the EU Directive 2014/52/EU amending the EIA Directive 2011/92/EU on Environmental Impact Assessment (EIA). This means that one requirement in the process of gaining the environmental permit for the manufacturing plant is for Candela to submit a written

¹ The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary

² 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 CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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environmental impact assessment to the supervisory authority in Sweden. Candela has initiated the environmental screening process which in Sweden begins with a so-called 'investigation consultation' process. This step was initiated on 30 March 2023 by Candela submitting the required consultation document, detailing the operation's location, design, scope and environmental impact, to the County Administrative Board (Sw. *Länsstyrelsen*). This consultation process is currently on-going and a decision on whether the activity can be assumed to have significant environmental impact or not is pending.

Depending on the outcomes of this consultation process, the company will need to produce a full (in case authorities decide that the activity is expected to have significant impact on the environment) or a small EIA (in case the activity likely will not have a significant impact on the environment) in order to start the application for the environmental permit for the manufacturing activity.

Natura 2000 or SEVESO permits are not required.

Environmental impacts expected:

Emissions to air occur from painting operations. The painting takes place in modern painting rooms with filter system/dry separator according to industry standards.

The business includes no process water or discharges to water from the processes. The only discharge to water is sanitary water which is diverted to spill in the water grid.

All chemical products are stored indoors in ventilated chemical containers. Aerosols are stored in chemical containers outdoors. All unloading of incoming chemicals takes place on a hardened surface with falls against a dense deposition of about 8 m³. The largest container handled in the business is 1 m³. To mitigate risk and spill to groundwater there is a sealed pump pit in centre of a sloping asphalt area covering the entire unloading area. The pump pit is constructed with a capacity of 8000 litres.

Candela's activity is not considered to give rise to any noise disturbances.

Climate Assessment

- **Climate change mitigation** - The project investment concerns RDI activities and manufacturing activities. The GHG emissions during operation are estimated at 185 tons/year CO₂ emission average during the period 2023-2030.
- **Climate change adaptation**: Snow loading is the only identified climate risk that has the potential to harm the project's physical assets. However, this risk is assessed to be immaterial to the project's overall operation because snow loads are considered when designing Swedish buildings, and as a result, the risk is kept to a minimum.
- **Paris Alignment of projects**: The project is in scope of PATH but screened out due to the small size of the promoter and the sector not regarded as climate vulnerable.

Social Assessment

The project does not carry any significant labour risks, the promoter fosters diversity supporting the achievement of gender equality and conduct annual salary mapping to identify gender-based remuneration disparities.

Public Consultation and Stakeholder Engagement

The promoter is presently in consultation with local authorities regarding the need to perform a full EIA.



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Conclusions and Recommendations

The project concerns RDI development and expansion of manufacturing capacity to produce highly efficient powered electrical vessels mainly for passenger transport.

The promoter has been assessed as capable to implement and operate the project in compliance with applicable EU and national legislation. The promoter will share all required and updated environmental permits upon receipt. In case a full EIA is required, the promoter will provide the EIA report to the EIB services for publication. The bank will require as a condition precedent for second disbursement – as related to the forecast expansion of production volumes - the environmental permits as received by the promoter from the local and national authorities.

Sustainability proofing conclusion: the project is expected to be carried out in compliance with applicable national and EU environmental and social legislation. Based on the environment, climate and social (ECS) information and based on the review of the likely significant ECS risks and impacts, and the mitigation measures and management systems in place, the project is deemed to have low residual ECS risks and impacts. No further sustainability proofing is required.

Considering the above, the investment is acceptable for EIB financing in Environmental, Climate and Social terms.