

Luxembourg, 25.11.24

Public

Environmental and Social Data Sheet

Overview

Project Name:	BORDEAUX METROPOLE ENERGIES II
Project Number:	2023-0982
Country:	France
Project Description:	same as info in Serapis (please check/update in line with description in Board Report) The Framework Loan to the Société d'Économie Mixte 'Bordeaux Métropole Energies' (BME) and its majority-owned subsidiaries aims to financially support its activities related to Energy Efficiency renovations of residential buildings, renewable energies (especially photovoltaic) and district heating/cooling networks in the Bordeaux metropolitan area over a period of 4 years. This operation is the second one with BME (following 'Bordeaux Métropole Energies' 2017-0896).
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no
(Details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The operation is a framework loan dedicated to climate action investments undertaken by a local utility in department of Gironde, France. The sectors targeted include energy efficiency renovations in residential buildings, PV, and district heating/cooling networks for municipalities.

The Project will contribute to the EU energy and climate objectives by supporting investments in energy efficiency and renewable energy contributing to the implementation of the EU Energy Performance of Buildings Directive (EPBD) and the Energy Efficiency Directive (EED).

Most of the sub-projects are not expected to require an Environmental Impact Assessment (EIA), but some photovoltaic and heat plants may require an EIA under Annex II of Directive

¹ 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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2014/52/EU amending Directive 2011/92/EU, leaving it to the national competent authority to determine according to Annex III of the said Directive whether an EIA is required.

The sub-projects to be financed are likely to have limited negative environmental impacts which are expected to be mitigated appropriately. For sub-projects that require an EIA, the Bank will require the Promoter to store and keep updated any documents that may be relevant for the sub-project (including EIA screening decisions, environmental studies, environmental monitoring reports or equivalent documents) supporting the compliance with the EIA Directive and national environmental regulations. The Promoter shall upon request promptly deliver such documents to the Bank.

Schemes located inside of the Natura 2000 areas and schemes located in the vicinity of Natura 2000 sites which are subject to an appropriate assessment in line with the Habitats Directive shall not be eligible.

Each of the Promoter's district heating and cooling networks in the Project scope are also designed to be efficient per the Energy Efficiency with the share of renewable energy ranging targeted above 80% at completion.

The biomass supplies to the Project comply with the biomass sustainability criteria defined in the Directive 2018/2001. Although not all biomass supplies included as part of the Project scope are PEFC/FSC certified, these will all be sourced from France, where forests are subject to mandatory sustainable forest management schemes. The supply plan may also be subject to review or control by ADEME² and the French competent authorities.

Under the national environmental regulations, the geothermal drilling components part of sub-project scope require a full EIA. The geothermal components are also subject to the requirements of the Water Framework Directive 2000/60/EC which the Promoter shall apply for those activities.

The refrigerant fluids used in the district cooling systems shall comply with the applicable EU Regulations (Regulation 2024/573, amending Regulation 1019/1937 and repealing Regulation 517/2014) as well as with national legislation requirements and the Promoter closely monitors fluid losses.

The project is fully aligned with the Paris agreement objectives and contribute at 100% to Climate Action - Mitigation.

Climate Assessment

The Project has been assessed for Paris alignment and is fully aligned with the policies set out in the Climate Bank Roadmap and the Energy Lending Policy.

EIB Paris Alignment for Counterparties (PATH) Framework

- The counterparty Bordeaux Métropole Energie is in scope and screened in of the PATH framework, because it is considered high emitting.
- The counterparty already meets the requirements of the EIB PATH framework with its existing alignment plan.

Social Assessment

The investments will consist in many small size projects with limited social impacts. The Promoter and its external partners follow the national regulations and industrial standards for the design, engineering, and operations of its projects.

² Agence De l'Environnement et de la Maîtrise de l'Énergie



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However, the project foresees lot of small size PV sub-projects, that added together represent a significant size with risks for forced labour in the solar PV supply chain. The Promoter will be required to undertake reasonable efforts in case of concern to mitigate against this risk. This will include enhanced due diligence where practically achievable and ensuring that relevant obligations are passed on in supplier contracts.

On contrary the project will have positive impacts, by increasing the resilience of the buildings to Climate Change, providing occupants with better condition during heat waves.

Public Consultation and Stakeholder Engagement

If required by the sub-projects to be financed, public consultation within the Environment Impact Assessment will take place.

Other Environmental and Social Aspects

The investments will generate social benefits, in terms of alleviating energy poverty, increasing the security of supply and supporting employment generation.

Based on the assessment undertaken, the Promoter is deemed to have the experience and the capacity to manage the investment programme in line with EIB environmental and social standards and requirements and its environmental, social, health and safety procedures are deemed to be good.

Conclusions and Recommendations

The environmental approach, organisation, processes, and procedures taken by the Promoter has been assessed by the Bank as satisfactory. Based on the information available, the Project is expected to have minor negative residual impacts and thus is acceptable for Bank financing from an environmental and social perspective, subject to the following conditions, to be included in the Finance Contract to be signed with the Promoter

The Promoter undertakes not to allocate the Bank's funds to programme components that require an Environmental Impact Assessment (EIA) until the EIA Report and/or the appropriate assessment have been finalised, in form and substance satisfactorily to the Bank, and approved by the competent authority. When the EIA Report is made available to the public, an electronic copy shall be sent to the Bank.

The Promoter undertakes to send to the EIB copies of all EIA screening decisions concerning the project components and/or decision/opinion with regards to their impact on Natura 2000 sites issued by the competent authority as soon as they are available.

The district heating network elements of the Project shall comply with the "efficient district heating and cooling" categorisation per the EU Energy Efficiency Directive 2012/27/EU.

All the biomass sourced as a fuel for the project need to align with the EU biomass sustainability criteria principles as defined in the Directive EU 2018/2001 (Article 29) and with the EU Timber Regulation (EU/995/2010) and the EU Forest Law Enforcement Governance and Trade (FLEGT), as applicable.

Wood biomass supply chain and the underlying forest management practices are to be certified, or if not yet certified, they have to be aligned with and apply the same standards so as to be certifiable by internationally accredited certification schemes (e.g., FSC or PEFC).

Biomass coming from irrigated plantations or from areas with natural forest conversion and logging of primary moist and tropical forests is excluded.



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If biomass feedstock from non-EU areas or from external suppliers not directly under the control of the Promoter is to be used, the sub-project shall prove its adherence to a recognised voluntary sustainability certification scheme for biomass and biofuels as established by the EC in the frame of Directive 2009/28/EC and any of its amending directives (RED+ and RED2+, as applicable).

The Promoter undertakes, on a reasonable effort basis, enhanced due diligence (supply chain mapping of the PV module manufacturers reaching the level of silicon/polysilicon suppliers and/or declarations by the PV module manufacturers concerning the origin of the components used in the PV modules, per sub-project) also guided by the FI's human rights commitment, and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub-projects.

The Promoter undertakes to immediately inform the Bank should any materially adverse event occur during implementation or operation, which would prevent the Project to perform as planned, with regards to environmental and social matters, biomass supply chain disruption, geothermal resource characterisation (including induced seismicity or other events related to the subsurface).