



Luxembourg, 19 September 2024

Environmental and Social Data Sheet

Overview

Project Name:	GINKGO IV
Project Number:	2024-0348
Country:	EU MS & UK
Project Description:	Equity fund for brownfield decontamination and urban redevelopment
EIA required:	Multiple projects, some may require an EIA

Project included in Carbon Footprint Exercise: no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social (E&S) Assessment

This operation consists of an up to EUR 115m equity investment into an equity fund Ginkgo IV ("the Fund") for the decontamination of brownfield sites to be potentially further redeveloped into urban development projects mainly located in France, Portugal and Spain, but also in other European countries such as Germany, Italy, the Netherlands and the UK. 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. The Fund's investments are expected to focus on urban regeneration, targeting brownfield sites as a priority. They will increase the attractiveness of those areas to private sector investors and prepare them for new economic activities.

The Fund's underlying investment pipeline may include projects with potentially significant adverse environmental and social impacts and risks, particularly in relation to impacts of noise, odour, hazardous waste, labour and occupational and community health, safety and security.

Prior to acquisition and following remediation activities of the land, environmental audits and detailed analysis of the contaminating substances present on site will be carried out as required by EU and national regulatory environmental and associated planning requirements and legislation. During the development phase (i.e. planning permitting process), the relevant competent authorities will be closely monitoring the respective underlying investments in case changes in the land use are required for obtaining the necessary construction permits.

Underlying projects may be subject to a public participation process when required by the applicable national and EU legislation in the planning process in the targeted European countries. The goal of the public participation process is to engage with stakeholders early on in the decision-making process, when all options are still open, to allow for their meaningful contribution and ensure that their opinions, interests and concerns are taken into account in the project design and planning.

The Fund Manager will be required to ensure that an Environmental and Social Impact Assessment (ESIA) is carried out and that public consultation is undertaken in accordance with applicable EU and national legislation and the EIB Environmental and Social Standards.



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The Fund's 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.

Land decontamination and remediation is expected to bring strong environmental benefits by removing 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 circular infrastructure investments. The Fund's activity is expected to reduce pressure on greenfield development caused by urban sprawl.

In addition, the investments are expected to have positive social impacts through the implementation of individual schemes providing social and affordable housing and other types of accommodation, office space, schools and small commercial premises, thus contributing to mixed communities and to improving the citizens' quality of life. Furthermore, broader socio-economic benefits may be expected, such as induced investment, employment effects and productivity impacts resulting from the improvement of public infrastructure and community well-being.

The Fund Manager has developed an Environmental and Social Management System (ESMS), which includes Environmental, Social and Governance (ESG) policies (including a Socially Responsible Investment policy) and procedures as well as impact strategies, which are integrated in its investment decisions and monitoring practices. The ESMS also includes a detailed procedure for identifying, assessing, managing and monitoring the E&S impacts and risks associated with the investments throughout the investment cycle.

Rolling out and effectively applying the Fund's ESMS requires the appropriate capacity and expertise related to environmental due diligence and the land remediation. The Fund manager carries out the decontamination process with a mix of in-house and third-party expertise. All third-party remediation service providers, including asbestos removal and demolition specialists, as well as stability and infrastructure service providers selected by the Fund Manager are qualified experts duly authorised by the relevant authorities to carry out their specific tasks under the applicable laws and regulations.

As part of its ESMS, the Fund Manager systematically identifies, manages and monitors the potential E&S risks and impacts and applies adequate procedures in relation to:

- Toxic exposure: Sites are demarcated with warning signs, and access thereto is restricted to those working on site and makes use of a full range of remediation techniques with a preference for treating pollution on-site to reduce CO2 emissions and other environmental impacts derived from the transportation of waste. Such approach enables also a more efficient re-use of treated material. However, when this is not possible, treatment off-site is carried out.
- Noise, smells and vibrations: Use of bio-products to fight against smells and adequate noise and traffic mitigation measures will be applied according to the relevant legislation to manage the effects of heavy traffic during the decontamination phase.
- Waste: Use of innovative remediation technologies, on-site treatment, recycling, and re-use of materials during the decontamination phase, which is in line with circular economy principles.

As part of the planning permission process, the relevant public authorities will be stipulating any post-remediation environmental monitoring requirements. As part of its monitoring activities, the Fund Manager oversees the implementation of the mitigating measures and other post-remediation environmental requirements stipulated in the building permits for the individual schemes prior to, during, and post construction.

The Fund Manager is required to maintain the ESMS during the life of the Fund, which ensures the systematic and structured assessment of investments and the monitoring of their on-going compliance with (i) the EIB Environmental and Social Standards, (ii) the list of Excluded



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Activities, and (iii) the EU legislation and/or national legislation related to environment, climate and social issues.

EIB Paris Alignment for Counterparties (PATH) Framework

The Fund manager has more than 500 MEUR of assets under management. As such, the Fund manager is in scope of and screened in the PATH framework. Hence, EIF will require the Fund manager to report – at the latest 12 months after signature – in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, including in particular information in relation to transition and physical climate risk.

Conclusions and Recommendations

Land decontamination and remediation offer significant environmental benefits by eliminating sources of land, groundwater, and air pollution. Cleaning up sites for future development aligns with sustainable urban planning and is a key aspect of circular infrastructure investments. The Fund Manager has extensive experience in environmental remediation and in the use of external environmental auditors and specialist remediation firms. The residual environmental risk is deemed acceptable, and the operation holds the potential for significant positive environmental impacts.

Most of the sites are likely to be further redeveloped into urban development projects for new economic uses. The investments' overall social impact is expected to be positive resulting from the implementation of the schemes with a high social and economic impact.

The Fund Manager will be required to:

- enhance Fund's ESMS in order to fully reflect the reporting requirements of the Non-Financial reporting Directive, monitoring and reporting processes and procedures as well as development of relevant environment, climate and social KPIs and impact indicators;
- ensure that the ESMS meets the EIB E&S Standards and E&S requirements;
- establish at Fund level and implement a procedure for external communication allowing for receiving and reviewing inquiries or complaints from any interested party regarding E&S impacts and risks of their underlying operations;
- nominate one of the partners to be responsible for the overall implementation of the ESMS, supported by a dedicated E&S Manager, who is responsible for E&S management across the organisation and supports the investment team on a day-to-day basis;
- disclose Fund's ESG Policy and Summary ESMS on its website; and
- prepare and submit to the EIB, on an annual basis, an E&S performance report on the Fund itself and on the underlying funds, it has invested in.

In relation to investments with energy efficiency components, upon the Bank's request, the Fund Manager shall provide the relevant energy performance certificates obtained during implementation or after completion of works in line with the applicable national and EU legislation on the energy performance of buildings.

The operation is a continuation of three 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, the ESMS in place and the conditions mentioned above, the operation is acceptable in environmental and social terms.