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**Public**

## Environmental and Social Data Sheet<sup>1</sup>

### Overview

Project Name:	<i>SOREGIES NETWORK &amp; RENEWABLE ENERGY</i>
Project Number:	<i>2022-0758</i>
Country:	<i>France</i>
Project Description:	The Project is an investment programme of a local energy company in France over the period 2023-2026, consisting in regulated electricity distribution investments and a pipeline of small scale solar PV and wind power plants.
EIA required:	yes
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise <sup>2</sup> :	yes

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

### Environmental and Social Assessment

The programme is a multi-component and multi-sector investment programme to be implemented over the period 2023-2026. The programme is geographically distributed throughout France. The distribution component of the project will be undertaken in the concession area of the Promoter, located in Nouvelle Aquitaine (Vienne department). The Programme comprises the following components:

Rehabilitation and extension of electricity distribution network including:

- HV/MV transformers (up to 90 kV)
- Medium and low voltage underground cables (up to 20kV)
- MV/LV transformers (up to 20 kV)
- Deployment of smart meters
- 1 new primary substations (up to 225 kV)

Construction and operation of small-scale renewable energy generation:

<sup>1</sup> 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

<sup>2</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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- 39 PV solar plants (of which 28 ground mounted, 7 floating solar and 4 solar canal) with a capacity ranging from 0.5 MW to 20 MW
- 5 wind farms with a capacity ranging from 2 MW to 17 MW

## Environmental Assessment

### Distribution component:

The MV and LV schemes are expected to fall under Annex II point 3.(b) of Directive 2014/52/EU amending EIA Directive 2011/92/EU according to which the Member States shall determine whether the project shall be made subject to an EIA assessment based on defined criteria. All lines and underground cables have operating voltages below the threshold for screening set out in the national legislation (220 kV), as per the provisions of Article 4(3) of the EIA Directive. As a result, none of these schemes will require an EIA. Environmental analyses may be carried out in the context of the construction permitting process. Substations schemes, either in the form of new construction, extension or refurbishment, do not fall under either Annex I or II of the EIA Directive. According to the national legislation, the new 225/20 kV primary substations including associated facilities require an EIA. The Environmental Impact Studies (EIS) are underway. The Bank will require that a favourable EIA decision has been granted by the competent authority before any disbursement can take place for this scheme.

The programme has the potential for some low to moderate environmental and social impacts. These include noise, vibration, dust, and disruption of traffic during construction, and electromagnetic radiation during operation. Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. For smart meters, the main impacts of the components are electromagnetic radiation during data exchange and the disposal of meters that are replaced (in line with relevant legislation). Smart meters comply with the electromagnetic radiation limits set out in guidelines published by national and international organisations.

### Renewable generation sub-projects

Due to their technical characteristics, all of the renewable generation sub-projects fall under Annex II point 3.(a) of the EIA Directive according to which the Member States shall determine whether the project shall be made subject to an EIA assessment based on defined criteria. The majority of the sub-projects have been screened in for environmental impact assessment (EIAs) except of a few which are below the threshold for screening set out in the national legislation (1MW). Most of the individual schemes to be financed are likely to have limited negative environmental impacts and are expected to be mitigated appropriately. The majority of the sub-projects (29 sub-projects) already underwent an EIA and for some (12 sub-projects) construction permits have already been granted. For the remaining schemes, the Environmental Impact Studies (EISs) and related permits will be shared with the Bank before disbursement against relevant schemes.

General quality of the EIS, in terms of the impact assessment methodology, desk studies and field work conducted, is considered to be acceptable. Where relevant, the EIS of the installations included a cumulative impacts assessment taking into account the neighbouring (existing and planned) infrastructures. The EIS of the schemes include all the interconnection facilities to the existing grid.

Each individual sub-project entails limited local impacts on fauna and flora, landscape, soil and groundwater and has no substantial cumulative impacts. The EIAs generally recommend adequate preventive, corrective and mitigation measures during the construction and operation phases. During the construction phase, main impacts are associated with the presence of machinery, vehicles, construction workers, and the erection of the plant's infrastructures. The impacts relate to increase of dust and noise due to construction related activities, as well as increased traffic in the surrounding areas, soil erosion due to the loss of vegetal cover, and loss



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or fragmentation of habitats. During the operation phase, given the presence of the plants, connection infrastructures and other similar facilities in the surrounding area, the main impacts are related to loss and fragmentation of habitats, barrier effect and visual impacts.

The environmental and social due diligence has followed the investment programme lending approach according to the EIB's procedures and standards, i.e. the due diligence focussed on the Promoter's capacity and capability to implement the programme in line with EIB environmental and social standards and requirements. The Bank reviewed the environmental and social capacity of the Promoter, including its organisation, processes and procedures. The promoters outsource the preparation of Environmental Impact Studies (EIS) and Appropriate Assessments (AA) to external specialised consultants in France. The Bank reviewed a number of the EISs, which form part of the programme and found them to be satisfactory.

The schemes will be screened according to national legislation with respect to the need for Appropriate Assessment (AA) under the EU Habitats Directive which is integrated in the EIA process. Based on preliminary information, some of the schemes might cross Natura 2000 areas. In such cases, the competent authority will be consulted and the assessments required under art. 6(3) and art. 6(4) of Habitats Directive 92/43/EEC will be carried out. The EIAs provided included the assessment on whether the installation would have significant impacts on sites of nature conservation, concluding that such impacts on biotopes, avifauna and loss of habitats will be of small magnitude and low significance. Given the characteristics and the typical impacts of the programme schemes, the Promoter at this stage expects that none of schemes will be screened in for an AA. In any case, schemes with significant negative impacts on a nature conservation site shall not be eligible.

The Promoter shall be required to retain appropriate records evidencing that the schemes are in line with EU legislation. Such documents shall be provided to the Bank upon request.

### **Climate Assessment**

Physical climate change risks relevant to the area of installation of the project schemes, i.e. mainly extreme rainfall events, flooding and storms and high winds, are mitigated in the design stage, by adapting - as necessary - the design or the location of the equipment. There is not significant vulnerability identified for the project.

Whilst smart meters may facilitate energy savings, they are not expected to have significant impact on CO<sub>2</sub> emissions. As a conservative approach, the savings in end-user consumption have not been considered in the Carbon Footprint Exercise.

The operation has been assessed for its Paris alignment. It is considered to be aligned for low carbon and resilience, in line with the policies set out in the Climate Bank Roadmap and with the EIB's Energy Lending Policy.

### **Social assessment**

The current use of the lands is mostly for agriculture, and such activity will continue to be carried out in the area (outside the plant perimeter) with the normal safeguards and will not be affected by the project.

The schemes to be implemented will require for the installation of the projects' components the lease of land. The Promoter will/has engaged with the land owners in order to secure voluntary agreements for the land required for all project infrastructure. If a voluntary agreement cannot be reached, the promoter may require expropriation, in line with respective national legislation. It is expected that the implementation of the schemes under this programme will not lead to involuntary physical or economic displacement or resettlement.

All schemes need to comply with the Bank's requirements, including applicable provisions of the relevant labour standard of the Bank. The Promoter will be required to undertake



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reasonable efforts to mitigate risks of forced labour in the supply chain. This will include, on a best effort basis, enhanced due diligence also guided by the Promoter's human rights commitment, ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub projects.

### **EIB Paris Alignment for Counterparties (PATH) Framework**

SOREGIES being a corporate is in scope of the PATH framework. SOREGIES is not screened in for the low carbon aspect; after appraisal and due diligence, it is confirmed that less than 20% of its revenues are in high emitting sectors. The counterpart is screened in for high vulnerability. Resilience assessment has been undertaken by PJ, which concluded the need for an enhanced resilience plan. The counterpart agreed to publicly disclose such plan within 12 months after signature.

### **EIB Carbon Footprint Exercise**

The source of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emissions for the programme is network losses associated with new or refurbished distribution network equipment. The direct CO<sub>2</sub> emissions from a wind farm or solar PV plant are deemed negligible. At programme completion, the corresponding absolute emissions are estimated to be 0.7 kt of CO<sub>2</sub>e/year. These absolute emissions are offset by the reduction in network losses enabled by the programme in comparison to the do-nothing alternative and based on the avoidance of electricity generation from a combination of existing and new power plants in France (combined margin for intermittent generation). Therefore, at completion, the programme is expected to enable a saving of circa 58 kt of CO<sub>2</sub>e.

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.

### **Public Consultation and Stakeholder Engagement**

Public consultation are carried out by the competent authority under the EIA process, as required by the EU, and as transposed into national and regional law.

### **Other Environmental and Social Aspects**

The Promoter has significant experience in the development, implementation and operation of both electricity distribution networks and renewable energy installations in France and is deemed to have adequate capacity to ensure compliance with the Bank's Environmental and Social requirement. The Promoter is known to the EIB through one recent operations of similar characteristics and is familiar with the Bank's requirements.

The environmental management capacity of the Promoter is reflected by the ISO-14001 and ISO 9001 standard certification that they have obtained. The promoter is an experienced distribution network operator in France and is certified to ISO 45001 standards for occupational health and safety management aspects.

The Promoter will be contractually obliged to ensure that all investments comply with the relevant EU Environmental Directives (e.g. EIA Directive 2014/52/EU amending Directive 2011/92/EU, Habitats Directive 92/43/EEC and Birds Directive 2009/147/EC amending Directive 79/409/EEC).

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## Conclusions and Recommendations

The Bank has reviewed the E&S risks associated with the operation as well as the E&S capacity of the Promoter. It is considered that the environmental procedures carried out for individual schemes appropriately address environmental issues and ensure that the schemes to be financed under the programme meet the Bank's requirements. The Bank will carefully monitor all the outstanding studies required, to ensure that these are in line with the Bank's Environmental and Social Standards. The operation is considered acceptable for Bank financing from a social and environmental point of view, with the following environmental and social disbursement conditions and undertakings for the finance contract:

As a condition for disbursement against project schemes being subject to an Environmental Impact Assessment, the promoter shall provide:

- Electronic copy of the final EIS (including appropriate assessment, if required, and information on the public consultation process), approved or endorsed by the competent authority and satisfactory to the Bank.

In addition, the promoter undertakes:

- to take into account and implement conditions expressed in any screening-out decision or EIA consent granted by the competent authority for nature and environment.
- to ensure that programme schemes that may have an effect on a Natura 2000 site will undergo an analysis (or screening) to determine whether the scheme requires an Appropriate Assessment. When an Appropriate Assessment has been deemed necessary, before allocating the Bank's funds to the relevant programme scheme, the promoter will ensure that such assessment is carried out in line with Article 6(3) of the Habitats Directive.
- to store and keep updated any documents that may be relevant for the programme and which support the compliance with the provisions under the EU Habitats and Birds Directives (Form A/B, or equivalent declaration by the competent authority) and shall, upon request, promptly deliver such documents to the Bank.
- to make reasonable efforts to carry out appropriate due diligence throughout its supply chains, with the aim of avoiding the use of forced labour in the supply chains of the solar panels that will be used for this project. The outcome will be reported to and reviewed by the Bank.
- the counterpart will publicly disclose an enhanced resilience plan within 12 months after signature.

Following the environmental, climate and social screening of the Project against the InvestEU sustainability proofing requirements, the programme is expected to have minor environmental residual impacts. The social impacts of the project are expected to be low. Legal compliance will be verified for each scheme prior to disbursement. No further sustainability proofing is required.