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Public**Environmental and Social Data Sheet¹****Overview**

Project Name:	GLENNMONT RENEWABLE ENERGY GREEN LOAN	
Project Number:	2022-0500	
Country:	Portugal, Italy, and Spain	
Project Description:	The project consists of financing the construction and operation of a portfolio of up to ca. 1.54 GWp solar photovoltaic power plants across Italy, Portugal and Spain.	
EIA required:	Yes, some of the underlying schemes may require an EIA	
Invest EU sustainability proofing required	yes	
Project included in Carbon Footprint Exercise ² :	yes	
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")		

Environmental and Social Assessment

The present operation concerns an Investment Programme (IP) of a portfolio company of the Fund GLENNMONT CLEAN ENERGY FUND EUROPE III (2016-0994).

The IP concerns the financing of 29 utility-scale solar PV plants in Portugal (606 MWp), Italy (463 MWp) and Spain (470 MWp), including the ancillary infrastructure for the interconnection to the grid, for a total capacity of ca. 1.54 GWp. The individual plant sizes range from 10 to 200 MWp. The schemes are expected to enter into commercial operation during the period 2024-2028.

The portfolio company owns or develops the schemes either by itself or acquires fully developed projects from co-developers (representing ca. a third of the IP).

The project's promoter, for the purpose of this ESDS, is the fund manager of the Fund GLENNMONT CLEAN ENERGY FUND EUROPE III (2016-0994), to which EIB is limited partner. Hence, EIB is also equity co-investor into all solar PV plants under this present operation.

Environmental Assessment

Due to their technical characteristics, most of the investments are expected to fall under Annex II of Directive 2014/52/EU amending (Environmental Impact Assessment) EIA Directive 2011/92/EU, leaving it to the national competent authority to determine according to Annex III of the said Directive whether an environmental impact assessment is required. Some

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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transmission lines could fall under Annex I. In response to today's energy security and climate crisis, several Member States, including Portugal, Italy and Spain, are revising national legislation to speed up the energy transition by facilitating and simplifying permitting procedures. However, the IP is not expected to benefit from such simplifying procedures. At the time of appraisal, two Portuguese schemes were screened-out from the EIA process by the competent authority, based on a supporting environmental study carried out by the promoter for each project. The competent authority nevertheless indicated that measures proposed in the environmental studies shall be included in the license to be issued by the licensing authority. All other schemes are in various phases of the EIA process.

The environmental and social due diligence has followed the investment programme lending approach according to the EIB's procedures and standards. The due diligence focuses on the promoter's capacity and capability to implement the programme in line with the EIB environmental and social standards and requirements. The Bank reviewed three Environmental Impact Assessment (EIA) reports conducted by the promoter for three solar PV plants and associated infrastructure - scheme "Armamar" in Portugal (42 MWp), scheme "Rinaldone" in Italy (45 MWp), and scheme "Alamak Solar" in Spain (24 MWp) - under this programme and found them to be satisfactory. The promoter's work quality in regard to EIA Reports is deemed good.

The solar PV plants and ancillary facilities are expected to generate limited impacts during both construction and operation phases. Solar PV plants, taking also into account cumulative impacts, entail negative impacts on fauna, landscape, the runoff characteristics of the drainage basin and soil. During the construction phase, main impacts are associated with the presence of machinery, vehicles, construction workers, and the erection of the solar PV related infrastructure. The impacts relate to increase of pollutant emissions, dust and noise due to construction related activities, increased wildfire risk, as well as increased traffic in the surrounding areas, soil erosion due to the loss of vegetal cover, visual impacts due to the construction operations and loss or fragmentation of habitats. During the operation phase, the main impacts are related to loss and fragmentation of habitats, barrier effects, visual impacts and collision risk (for schemes with overhead transmission lines).

Specific mitigation measures required for implementation during construction and operation phases, vary per plant but overall include: (i) prevention of atmospheric pollution, light, dust and noise emissions, protection of soil, groundwater and conservation of protected trees and vegetation; (ii) in relation to the risk of collision with the overhead transmission lines, the mitigation measures are based on enhanced visibility of conductors; (iii) habitat conditioning (e.g. nesting aids) of certain bird and bat species; (iv) implementation of fauna monitoring programmes; (v) reuse of soil layers for restoration activities; (vi) Implementation of restoration and revegetation plans; (vii) implementation of waste management plans, etc. Mitigation measures included in the EIA reports and the environmental decisions/permits (e.g. Declaracao de Impacto Ambiental in Portugal) will be monitored by the lender's technical advisor during the schemes' implementation phases.

Climate Assessment

The project is expected to contribute to climate change mitigation and pollution prevention and control. The project has been assessed for Paris alignment and is considered to be aligned with low carbon and resilience goals as set out in the Climate Bank Roadmap and the Bank's Energy Lending Policy. Residual risks from physical climate hazards are deemed low.

EIB Paris Alignment for Counterparties (PATH) Framework

Given that the borrower(s) are expected to be SPVs/HoldCos fully owned by GLENNMONT CLEAN ENERGY FUND EUROPE III, the counterparty under PATH is the fund manager parent. The fund manager is part of Nuveen which is in scope and screened in (based on assets



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under management). The fund manager's parent is already disclosing in line with the Task Force on Climate-related Financial Disclosures' (TCFD) requirements and therefore already complies with PATH requirements.

EIB Carbon Footprint Exercise

In accordance with the Bank's current Carbon Footprint methodology, it is calculated that based on the avoidance of electricity generation from a combination of existing and new power plants in Spain, Portugal and Italy (combined margin for intermittent generation), the total relative effect of the project is a net reduction in CO₂ equivalent emissions by ca. 907 kt CO₂e/yr.

For the annual accounting purposes, if the project is included in 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.

Social Assessment

The schemes to be implemented under the programme will require the acquisition or lease of land for the installation of the projects' components. The promoter has engaged with the landowners to secure voluntary agreements for the lands required by all project infrastructures. For the implementation of the schemes under this programme in Italy and Portugal no involuntary physical or economic displacement or resettlement is envisaged. For one scheme in Spain expropriation might be required for the 20km energy evacuation line. If a voluntary agreement cannot be reached, the promoter intends to apply for a declaration of public utility and thereafter require expropriation in line with respective national legislation.

The promoter proposes co-location of agricultural activities and solar PV plants for several schemes, predominantly in Italy. This kind of installation can bring net positive benefits for both farmers, in the form of additional income, and solar facilities, through the maintenance of the project site (vegetation, weeds). Currently, only Italy has defined rules for agrovoltaic projects.

Recent reports are pointing out the possibility of use of forced labour in the supply chain of solar PV panels. The promoter will be required to make reasonable efforts to assess and address the risk of forced labour, including throughout the solar PV supply chains, as foreseen by the EIB E&S Standards. The promoter, in its ESG policy, strongly condemns, among other things, all activities related to human trafficking, child labour and forced labour. ESG policy documentation will be collected by the promoter from all key suppliers. From three PV module suppliers such documentation was already reviewed by the Bank. The respective PV module suppliers commit to no use of forced labour in their ESG documentation. The promoter has also performed a supply chain mapping exercise with those suppliers, concluding that no factories identified in the supply chains are located in regions where the risk of forced labour is allegedly higher. In addition and considering that EPC contractors are responsible for PV module procurement, EPC contracts will include clauses and appendices surrounding anti-slavery, anti-corruption and ESG documentation to be made available to promoter. Contract termination rights will be included for breach of these clauses.

The due diligences to be performed by the promoter (including the supply chain mapping) will be reported to and reviewed by the Bank.

Public Consultation and Stakeholder Engagement

The promoter and its implementing partners engage proactively with third parties affected by its projects, through the organisation of frequent meetings with local authorities and communities. This is done starting from project development and will continue through construction and operation, to identify and mitigate potential negative social and environmental impacts. Project team members have clear engagement responsibilities. Any misconduct or



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concerns can be reported through a grievance mechanism. All stakeholders will have access to the grievance mechanism through different methods, either anonymously or not.

Public consultations are carried out under the EIA process, as required by the EIA Directive, and as transposed into the respective national and regional laws. There are five programme schemes where third party appeals were made. Two appeals have already been concluded through bilateral agreement and the promoter is seeking resolution for the remaining three by adapting the schemes' design.

Other Environmental and Social Aspects

The environmental and social risk management capacity of the promoter is deemed to be adequate. The promoter and its implementing partners have the experience and capacity to appropriately manage this project. The promoter is known to the Bank from previous operations and has experience in the construction and operation of solar PV plants in Portugal and Italy. In Spain, the promoter collaborates with locally experienced co-developers.

It is concluded that the promoter has the capacity and capability to implement the programme in line with EIB environmental and social standards and requirements.

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the promoter, including its organisation, processes and procedures, and considers them to be satisfactory. Based on the information available and with appropriate conditions and monitoring, the programme is expected to be acceptable in environmental and social terms for the Bank's financing:

- The promoter undertakes 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, the promoter will ensure that such assessment is carried out in line with Article 6(3) of the Habitats Directive.
- Schemes with significant negative impacts on a nature conservation site shall not be eligible.
- The promoter undertakes not to allocate the Bank's funds to programme schemes that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised and approved or endorsed by the relevant competent authorities. For schemes requiring an EIA and/or an Appropriate Assessment (AA), an electronic copy of the EIA/AA reports must be sent to the Bank for publication at its Public Register as soon as each scheme is approved by the competent authority.
- The promoter shall store and keep up to date all documents relevant for the programme supporting the compliance with the provisions of EU environmental legislation, including Habitats and Birds Directives, permits and environmental and social approvals and, where required, social studies, and shall promptly upon request deliver such documents to the EIB. The promoter will have to demonstrate that the measures foreseen in the EIA reports and the permits, including measures to avoid, reduce and mitigate the impact, were put in place during the construction and operational phases.
- The promoter will be required 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.



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- The project shall comply with the applicable provisions of the relevant labour standard of the Bank, which foresees zero tolerance for the use of forced labour.
- The promotor shall share with the Bank details about the grievance mechanisms put in place for the project, including contact details.

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.