

Luxembourg, 13.12.2023

## Environmental and Social Data Sheet

### Overview

Project Name:	PROJECT PINO
Project Number:	2023-0194
Country:	Spain
Project Description:	Framework loan to finance small solar PV and onshore wind projects.
EIA required:	Some of the underlying schemes may require an EIA
Project included in Carbon Footprint Exercise <sup>1</sup> :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

### Environmental and Social Assessment

#### Environmental Assessment

The operation concerns a framework loan (FL) for an amount of up to EUR 150m, to finance renewable energy projects in Spain, with individual investment costs of up to EUR 50m (but expected to be mostly below 10MEUR). The operation is expected to support ca. 65-70 projects mainly for Solar PV (80%) and onshore Wind (20%) technologies. Other technologies, such as battery storage battery storage, might potentially be considered.

Due to their technical characteristics, most of the schemes are expected to fall under Annex II of Directive 2014/52/EU amending 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. Aerial power lines, if any, for the interconnection to the grid included in Annex I of the EIA Directive, will be subject in all cases to an EIA process.

The Promoter will be contractually obliged to ensure that all schemes financed comply with the relevant EU Environmental Directives (e.g. EIA Directive 2014/52/EU amending 2011/92/EU, Habitats 92/43/EEC, and Birds Directive 2009/147/EC), and EIB's Environmental and Social Standards (where applicable). The Promoter will be required to verify that none of the schemes has a significant adverse impact on any site of nature conservation importance, and will be required to obtain and provide to the Bank written confirmation to this effect from the competent authority, or an equivalent confirmation satisfactory to the Bank.

Electricity production from renewable energy sources supports the low carbon pathways required to achieve the Paris Agreements, and is therefore considered to be Paris Aligned.

#### Social Assessment, where applicable

The schemes to be implemented under the FL will require for the installation of the projects' components the acquisition, lease or easements of land. The developers of the projects financed by the Borrower will engage with the landowners in order to secure voluntary agreements for the land required for all project infrastructure. If a voluntary agreement cannot be reached, promoters may require expropriation, in line with Spanish legislation. In Spain, all projects required for the implementation of the different activities within the electricity sector, including generation, promoted by public or private companies, can be considered to be of public utility, and can be subject to urgent forced expropriation to be carried out by the authority in the interest of the promoters. It is expected, and the Borrower will ensure, that the

<sup>1</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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implementation of the schemes under this FL will not lead to involuntary physical or economic displacement or resettlement.

All investments and subsequent projects need to comply with the Bank's requirements, including applicable provisions of the Standard 8 – Labour Standards of the EIB's Environmental and Social Sustainability Framework. The FI will be required to undertake reasonable efforts to mitigate risks of forced labour in the supply chain. This will include, on a best effort basis, enhanced due diligence where practically achievable, and also guided by the FI's human rights commitment, ensuring that appropriate contractual provisions are passed on to contractors/suppliers for each of the investments and projects.

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

It is expected that for all project components subject to an EIA, public consultation will be carried out under the EIA process, as required by the EU, and as transposed by national and regional law. The declaration of public utility process has its own public information phase.

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

The Promoter will implement an Environmental and Social (E&S) management system, and enhance the capacity to implement the projects in compliance with the requirements.

For projects that are considered for financing, legal provisions addressing the specific E&S risk will be included in the investment documentation to ensure that the project complies with the Promoter's E&S policy. The financing approval will undertake to ensure that mitigation measures proposed by the external consultant are implemented and that a monitoring plan is in place.

All new schemes under this operation will undergo due diligence by the Promoter, including appraisal and monitoring of environmental and social aspects. The promoters of the underlying projects will be required to have a health, safety and environment policy in place and to comply with the relevant laws.

## **Conclusions and Recommendations**

The Promoter has to develop a basic corporate environmental and social management system ("ESMS") to provide a framework for the identification and management of E&S risks and impacts associated with its investments, and compliance with the relevant laws. The due diligence processes related to investment opportunities will include an E&S section to determine the project categorisation and to identify key issues and mitigation measures. Projects that, according to the Promoter, have potential significant adverse social and/or environmental impacts that are diverse, irreversible, or unprecedented, will not be considered for financing.

The Borrower shall not commit any EIB funds to finance schemes that require an EIA or biodiversity assessment according to EU and national law without, prior to commitment, receiving consent from the competent authority. If a project is screened out then, according to the EIA Directive, this should also be made public, stating the reasons for not requiring such an assessment.

The Promoter shall store and maintain updated the relevant documents (including environmental studies related to the EIAs, the Non-Technical Summaries of the EIAs, and Nature/Biodiversity Assessments or equivalent documents supporting compliance with the EU Habitats and Birds Directives – Form A/B or equivalent), to be provided to the Bank upon request. In case the EIB requires such documentation, the Borrower shall provide promptly all documents requested.

The Promoter shall undertake reasonable efforts in case of concern to mitigate against the risk of forced labour in the solar PV supply chain. This will include enhanced due diligence where practically achievable, and ensuring that relevant obligations are passed on in supplier contracts.

For schemes that may have an impact on a nature conservation site, the promoter shall obtain confirmation from the competent nature conservation authority, or an equivalent confirmation satisfactory to the Bank, that the scheme does not have a significant negative impact on any such site. Such confirmation should be delivered to the Bank before the funds are allocated.

Under these conditions, the operation is acceptable in E&S terms.