

Luxembourg, 28<sup>th</sup> August 2024

## Environmental and Social Data Sheet

### Overview

<i>Project Name:</i>	<i>PGE REPOWEREU FRAMEWORK LOAN</i>
<i>Project Number:</i>	<i>2023-0621</i>
<i>Country:</i>	<i>Poland</i>
<i>Project Description:</i>	<i>Financing of the construction and operation of solar photovoltaic power plants across Poland and modernisation of one pumped storage hydropower plant</i>
<i>EIA required:</i>	<i>Several schemes are expected to require EIA</i>
<i>Project included in Carbon Footprint Exercise<sup>1</sup>:</i>	<i>no</i>

### Environmental and Social Assessment

The operation concerns a Framework Loan (FL) that will support the deployment of a pipeline of 770 MW of utility-scale solar PV split in different schemes, with sizes from 0,6MW to ca. 100MW distributed throughout Poland and the modernization of an existing pumped storage hydroelectric (PSH) plant (500 MW /540 MW generation/pumping) over the period 2024-2027 in Poland.

The Promoter is PGE Energia Odnawialna SA a subsidiary of PGE Polska Grupa Energetyczna S.A. (Borrower) in charge of Group's renewable energy assets.

#### Environmental Assessment

Due to their technical characteristics, the schemes of the solar portfolio are expected to fall under Annex II of the EIA Directive 2011/92/EU as amended by Directive 2014/52/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.

Based on information provided by the promoter, the size of the schemes and the national environmental regulations, most of the solar PV portfolio is expected to be screened in for EIA. The modernization of the PSH has been screened out by the environmental authority.

The most relevant environmental impacts expected from the PV schemes include, among others, those related with noise and activity increase during construction, with the use of land and visual impact. Nevertheless, the specific impacts from the schemes and the mitigation measures will be assessed and identified in the environmental permitting process for each specific scheme. The main positive impacts expected are those related to the avoidance of CO<sub>2</sub> emissions in the electricity generation.

With regards to schemes subject to the requirements of the Habitats Directive 92/43/EEC and/or Birds Directive 2009/147/EC, the promoter will be required to verify that none of the schemes have a significant adverse impact on any site of nature conservation importance. 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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promoter will be required to obtain and provide to the Bank the written confirmation to this effect from the competent authority, or an equivalent confirmation satisfactory to the Bank. Schemes having a significant adverse impact on any site of nature conservation importance will not be eligible under this operation.

The Bank funds will be allocated to the eligible schemes with procedures modulated according to the scheme size and type, in line with applicable framework loan procedures. For investments with a cost above 80 MEUR, a separate Environmental Social Data Sheet will be published.

The Bank will review the permitting documentation (including screening decisions) at the appraisal of large allocations above 80 MEUR and their respective EIA will be published. Whenever an EIA process is required and the scheme is above 40 MEUR, the EIA report will be provided in copy to the Bank prior to the Bank's approval of the allocation.

The project is fully aligned to the goals and principles of the Paris Agreement as set out in the Bank's Climate Bank Roadmap and the Energy Lending Policy.

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

PGE POLSKA GRUPA ENERGETYCZNA SA as head of the group for the different subsidiaries (including the promoter PGE Energia Odnawialna SA) is in scope and screened in to the PATH framework, as it is considered high emitting and high vulnerability.

The counterparty already meets the requirements of the EIB PATH framework with its existing alignment plan.

### **Social Assessment**

The schemes to be implemented under the framework loan requires, the acquisition, lease or easements of land for installation of the project components. The Promoter is engaged with the landowners in order to secure voluntary agreements. It is not expected that any of the schemes under this framework loan will lead to expropriations, involuntary physical or economic displacement or resettlement. Schemes with significant negative social impacts shall not be eligible.

Recent reports are pointing out the possibility of use of forced labour in the supply chain of solar PV panels. The promoter has a Code of Ethics and a Code of conduct for Business Partners, rejecting explicitly the use of any form of forced labour in Poland and abroad. These Codes are applicable to all supply contracts awarded by the promoter.

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 reasonable efforts to assess and address the labour risks associated with the solar PV panels used in the project, including throughout the supply chain, as required by the EIB E&S Standards. 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 and suppliers of the sub projects.

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

It is expected that for all project components subject to EIA, the public consultation will be carried out under the EIA process, as required by the EU and as transposed to the national and regional law.



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## Other Environmental and Social Aspects

The Borrower is known to the Bank from previous operations in energy generation and distribution grids. They have a solid organisational structure and sufficient E&S capacity to implement the project through its subsidiary in charge of renewable generation, which follows the same policies and standards of the group.

## 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 shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to EU and national law without, prior to commitment, receiving consent from the competent authority, and the Non-Technical Summary of the EIA having been made available to the public.
- For schemes subject to an EIA above 40 MEUR, the Promoter should deliver the environmental documents to the Bank before the funds are allocated (EIA studies, Non-Technical Summary, environmental consent).
- 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.
- Schemes with significant negative impacts on a nature conservation site shall not be eligible.
- The promoter shall store and maintain updated the relevant documents of each scheme (including environmental studies related to the EIA, the Non-Technical Summaries of the EIA reports, and Nature/Biodiversity Assessments or equivalent documents supporting the compliance with the EU Habitats and Birds Directives and the absence of significant impact or equivalents), which will be provided to the Bank upon request.
- The promoter undertakes to fulfil the requirements of the environmental impact studies (EIA report or others) and Environmental Permits.
- 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 promoters' head of group will be required to commit not to engage in incompatible activities during the loan term.