

Luxembourg, 17th July 2024**Public**

Environmental and Social Data Sheet¹

Overview

Project Name:	PAN BALTIC RENEWABLES PORTFOLIO
Project Number:	2024-0233
Country:	Latvia, Lithuania and Estonia
Project Description:	The project comprises a portfolio of: (i) seven solar PV plants, with capacities in the range of ca. 40- 270 MWp, for a total capacity of ca. 880 MWp, located in Estonia (ca. 244 MWp), Latvia (ca. 553.5 MWp) and Lithuania (ca. 82.6 MWp), (ii) two hybrid plants including solar PV, onshore wind and Battery Energy Storage Systems (BESS) for a total capacity of ca. 106.4 MWp, ca. 24 MWp and ca. 31 MWh respectively located in Lithuania, and (iii) a ca. 12 MW wind farm with BESS of ca. 12 MWh located in Lithuania. The scope will include the ancillary infrastructure, like the interconnections to the grid and substations.
EIA required:	no
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

Environmental Assessment

The project comprises the construction and operation of: (i) seven solar photovoltaics (PV) plants, with capacities in the range of ca. 40- 270MWp, for a total capacity of ca. 880 MWp, located in Estonia (ca. 244 MWp), Latvia (ca. 553.5 MWp) and Lithuania (ca. 82.6MWp), (ii) two hybrid plants including solar PV, onshore wind and BESS for a total capacity of ca. 106.4MWp, ca. 24MWp and ca. 31MWh respectively located in Lithuania, and (iii) a ca. 12 MW wind farm with BESS of ca. 12 MWh located in Lithuania. The scope will include the ancillary infrastructure, like the interconnections to the grid and substations. The plants included in the project are identified in the table below:

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.

Luxembourg, 17th July 2024

	Plant name	Technology	Peak Capacity, MW_p	Region (NUTS III)
<i>EE</i>	<i>Risti</i>	<i>Solar PV</i>	<i>244</i>	<i>Lääne</i>
<i>LV</i>	<i>Valmiera,</i>	<i>Solar PV</i>	<i>54</i>	<i>Vidzeme</i>
	<i>Dagda,</i>	<i>Solar PV</i>	<i>148.5</i>	<i>Latgale</i>
	<i>Zirni, phase I, II and III</i>	<i>Solar PV</i>	<i>270</i>	<i>Kurzeme</i>
	<i>Barkava</i>	<i>Solar PV</i>	<i>81</i>	<i>Vidzeme</i>
<i>LT</i>	<i>Alytus I</i>	<i>Solar PV</i>	<i>40.6</i>	<i>Alytaus apskritis</i>
	<i>Alytus II</i>	<i>Solar PV, onshore wind & BESS</i>	<i>47.6, 15 and 14</i>	<i>Alytaus apskritis</i>
	<i>Kaisiadorys</i>	<i>PV</i>	<i>42</i>	<i>Kauno apskritis</i>
	<i>Zasliai</i>	<i>Onshore wind & BESS</i>	<i>12 and 12</i>	<i>Kauno apskritis</i>
	<i>Ukmerge</i>	<i>PV, onshore wind & BESS</i>	<i>42, 15, and 17</i>	<i>Vilniaus apskritis</i>

Estonian plant

Risti solar PV plant includes the interconnection infrastructure until the 330 kV transmission line that runs through the solar plant, consisting of two substations located in the plant site, RISTI PEJ 330/33 kV ALAJAAM, owned by the promoter and Rehemäe 330 kV ALAJAAM, owned by the TSO. The project underwent an EIA screening procedure under the national legislation. The information submitted by the promoter to the competent authority for screening, covered inter alia impacts on surface and ground water, biodiversity and ecosystems, pollution of water and soil, waste generation, noise, vibration, heat, air pollution, radiation, human health and cultural heritage. The EIA screening information concluded that based on the conservation objectives of the closest Natura 2000 sites (SAC and SPA EE0040203 Marimetsa-Õmma, adjacent to the plant) no significant impact is expected. The Estonian Environmental Board evaluated this screening information, concluding that no significant environmental impacts are expected and that no EIA process was needed (screen-out decision) and imposed some measures related to project layout and best practices for operation and maintenance. The municipality issued the building permits, obtained in Q1 2024.

Latvian plants

Valmiera plant includes two substations, a 20/110 kV one, owned by the promoter and a 110kV one owned by the TSO. The closest Natura 2000 site is Burtnieku ezera plavas (SAC and SPA LV0532700) at ca. 6 km NE. **Dagda** plant includes two substations, a 20/110 kV one, owned by the promoter and a 110kV one owned by the TSO. The closest Natura 2000 site is Raznas nacionalais parks (SAC and SPA LV0303400) located at ca. 5km N. **Zirni** plant includes two substations, a 30/330 kV one, owned by the promoter and a 330kV one owned by the TSO. The closest Natura 2000 site is Satinu diki (SAC and SPA LV0525500), located at ca. 7km SE. **Barkava** plant also comprises two substations, a 20/110kV one owned by the promoter and the other one owned by the TSO. The closest Natura 2000 site is Lubana mitrajs (SAC and SPA LV0536600) located at ca. 2 km SE.

The plants have achieved different level of permitting. **Valmiera** is divided into Matisi 1 and Matisi 2. Based on the national legislation, the State Environmental Service (SES) issued technical regulations (environmental requirements) for Matisi 1, which



Luxembourg, 17th July 2024

include waste management requirements and restrictions on specific areas for habitat³ conservation. Matisi 1 received the building permit in January 2024. Matisi 2 received the building permit in March 2024. For **Barkava**, due to the location of the project in the vicinity of protected species, the Nature Conservation Agency was consulted and provided specific conditions in the decision granted in March 2023 (e.g., limitation of the works during nesting periods, conservation measures for trees and shrubs, limitations on surface levelling, etc.). Barkava received the building permit in March 2023. For **Dagda** and **Zirni**, the permitting process is still ongoing.

Lithuanian plants

Alytus I, **Alytus II**, **Kaisiadorys**, **Zasliai** and **Ukmerge** are all planned to be connected to a 110 kV transmission line that runs through the solar plants by means of a new 30/110kV transformer substation owned by the promoter. The closest Natura 2000 sites to these plants are, as follows:

- **Alytus I** - Taukotiškių pievos (SAC LTALY008) at ca. 2 km N;
- **Alytus II** - Sabališkių miškas (SAC LTALY0006) at ca. 0.85 km SE
- **Kaisiadorys** - Būdos-Pravieniškių miškai (SPA LTKAIB006) at ca. 2 km N and Strėvininkų miškas (SPA LTKAI0002) at ca. 2 km S; **Zasliai** - Strošiūnų šilas II (SCI LTKAI0013) at ca. 2 km SE;
- **Ukmerge** - Viliukų miškas (SCI LTUKM0008) at ca. 2 km N.

The permitting process for the Lithuanian plants is still ongoing.

The promoter is in the process of joining several organisations responsible for utilization of the panels at the end of life, such as the Estonian EES-Ringlus and the Lithuanian EGIO. For the Latvian projects, solar PV panels are expected to be collected and recycled by the panel supplier.

Climate Assessment

The project has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals against the policies 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

The project will be implemented by a single-shareholder Special Purpose Vehicle, owned by Sunly AS. Sunly AS is in scope and screened out of the PATH Framework because it is not considered high emitting or high vulnerability.

EIB Carbon Footprint Exercise

There are no direct emissions related to renewable wind and solar energy generation. The estimated emissions savings compared to the generation replaced by the power plant are 431800 tonnes of CO2 equivalent per year, following the Bank's standard methodology.

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.

³ Active raised bogs- (Habitat code 7110*) and Northern white-cedar – Western Thuja occidentalis

Luxembourg, 17th July 2024

Social Assessment

The schemes to be implemented will require the acquisition, lease or easements of land for the installation of the projects' components. The promoter is engaging with the landowners to secure voluntary agreements for the lands required by all project infrastructures. The majority of the land has been secured with bilateral land lease agreements. It is expected that the implementation of the schemes will not lead to expropriation.

Recent reports are pointing out the possibility of use of forced labour in the supply chain of solar PV panels. The promoter has a Supplier Code of Conduct rejecting all forms of modern slavery, forced labour, human trafficking, child labour and violations of human rights in their supply chain. Besides, the Supplier Code of Conduct imposes due diligence requirements in the supply chain of suppliers. The project shall also comply with the EIB Environmental and Social Standards, which foresee a zero tolerance for the use of forced labour. The promoter shall make reasonable effort 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. A corresponding loan condition is proposed.

Public Consultation and Stakeholder Engagement

Regarding Risti solar PV plant, public consultation was carried out by the municipality and the design of the solar PV plant was adjusted accordingly. The promoter also involved representatives of locals while developing a support measures' package for the community. Besides, an informative session is planned to be held in Q2 2024 before construction begins.

Other Environmental and Social Aspects

The promoter is a process in developing environmental management systems based on ISO 14001 requirements.

Conclusions and Recommendations

Based on the information available, the project is expected to have low negative residual impacts and thus is acceptable for Bank financing from an environmental and social perspective provided the fulfilment of the following conditions and undertakings.

Conditions for disbursement:

- The building permit of the following plants are set as condition for their respective disbursements: Dagda 2, Dagda 3, Zirni 2, Zirni 3, Alytus I, Alytus II, Kaisiadorys, Zasliai and Ukmerge.

Undertakings:

- The promoter will undertake to comply with the Bank E&S Standards, which foresee zero tolerance for the use of forced labour. The promoter undertakes 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.

Following the environmental, climate and social screening of the project against the InvestEU sustainability proofing requirements, the project is expected to have low residual impacts. Therefore, no further sustainability proofing is required.