

Luxembourg, 01.10.2024

Environmental and Social Data Sheet

Overview

Project Name:	ENPAL REPOWEREU RENEWABLE ENERGY
Project Number:	2023-0760
Country:	Germany
Project Description:	Through a solar energy company, the project will finance small-scale photovoltaic installations including battery storage and electric vehicle charging stations in the residential sector.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

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

Environmental and Social Assessment

Environmental Assessment

The operation concerns the financing of eligible small-scale renewable energy schemes for self-consumption in private houses through Enpal, a private company providing energy solutions to homeowners in Germany. Enpal is a one-stop shop that provides long-term leasing of the equipment, installs it, and offers O&M services to customers should they opt for them.

The EIB operation will finance the installation of solar panels with a total estimated electricity capacity of ~67 MWp, home battery systems with a capacity of ~62 MWh and ca. 6,230 home charging points for electric vehicles with a total project investment cost of EUR 200m. The size of the rooftop panels will be small ranging from approximately 4kWp to 40kWp.

According to the promoter’s eligibility criteria, roofs containing asbestos tiles are excluded and hence clients with asbestos roofs are not eligible.

Due to their size, characteristics, and location (urban areas), the underlying schemes will not be subject to the Environmental Impact Assessment (EIA) Directive (Directive 204/52/EU amending EIA Directive 2011/92/EU), and thus they will not need an EIA process.

Similarly, none of the schemes is expected to have any adverse impact on any site forming part of the EU Natura 2000 network (falling under Habitats Directive 92/43/EEC or Birds Directive 2009/147/EC).

Climate Assessment

The operation is fully aligned with the goals and principles of the Paris Agreement as set out in the Bank’s Climate Bank Roadmap and the Energy Lending Policy and contributes to climate action – mitigation objective (renewable energy generation).

¹ 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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Social Assessment

All schemes need to comply with the Bank's requirements, including applicable provisions of the EIB's Environmental and Social Sustainability Framework. Enpal has a human rights strategy and supplier code of conduct, rejecting the use of any form of forced or compulsory labour, in compliance with the applicable provisions of the relevant EIB Environmental & Social Standards. The promoter's selection and onboarding screening process of suppliers consists of several stages which also incorporate ESG criteria. This process includes the assessment of a potential supplier against the risk management tool "Prewave". The risk assessment and screening of the suppliers is a continuous process to ensure compliance throughout the duration of the collaboration.

Under the Supply Chain Compliance Framework, the promoter conducts supply chain due diligence and requires that all suppliers must contractually comply with all existing mandatory statutory regulations of the country of origin and the promoter's Supplier Code of Conduct, which outlines the human rights policy and forced labour standards. Suppliers must ensure the compliance of their sub-suppliers with the Code of Conduct.

Other Environmental and Social Aspects

The promoter is fully compliant with German laws and regulations related to supply chain transparency. This includes a supplier code of conduct, preventive and grievance mechanism and whistleblowing system. Enpal's Senior ESG & Compliance Manager is centrally responsible for maintaining and promoting the company's ESG policies and ensures compliance across various corporate departments. ESG-related matters are also integrated into the Legal and Compliance team. There are regular meetings taking place and coordination across various departments of the company such as Supply Chain Management, Procurement, Communications and Investor Relations to ensure that ESG standards are maintained throughout the organisation.

The promoter's sales approach, including the sales material, sales ethics guidelines, and the contractual agreements with the clients, mitigates potential risks in terms of clients' protection. Nevertheless, the Bank will contractually impose that this should indeed be ensured through the implementation of the relevant measures.

Enpal is currently not subject to the Non-Financial Reporting Directive (NFRD), but as of 2025 and onwards, it will fall under the scope of the Corporate Sustainability Reporting Directive (CSRD), which replaces the NFDR. The first CSRD-compliant report must be published in 2026. Although not required, Enpal aims to finalise the first voluntary ESG report by September 2024.

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Conclusions and Recommendations

The Promoter has adequate capacity to identify, assess, manage and monitor the Environmental, Climate and Social impacts and risks of the sub-projects benefiting from EIB support so that they are in line with the EIB E&S standards and national legislation.

The following loan undertakings will be included in the legal documentation:

- The Promoter shall submit the link to the first ESG report to the EIB once published.
- The Promoter shall undertake to comply with the CSRD and submit the link to the first CSRD-related report to the EIB once published.
- The Promoter will be required to undertake efforts to mitigate risks of forced labour in the supply chain. This will include enhanced due diligence also guided by the Promoter's human rights commitment and Supplier Code of Conduct ensuring that appropriate contractual provisions are passed on to contractors/suppliers for each of the schemes.

In view of the above findings and conditions, the operation is considered satisfactory from an environmental and social compliance perspective.