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Environmental and Social Data Sheet

Overview

Project Name:	EDP REPOWEREU FRAMEWORK LOAN
Project Number:	2024-0157
Country:	Portugal, Spain and Italy
Project Description:	The Project comprises the construction and operation of a set of renewable energy (RE) plants across Portugal, Spain and Italy in support of the REPowerEU initiative.
EIA required:	Yes, some of the underlying schemes require an EIA
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

The operation concerns a Framework Loan (FL) that will support the deployment of a pipeline of renewable energy plants, composed by solar PV and onshore wind projects, over the period 2024-2027.

The FL is expected to finance a large number of schemes, including their ancillary infrastructures for the interconnection to the grid where required, for a total of c. 2 GW capacity. The schemes will be located in different regions of Spain, Portugal and Italy. The indicative pipeline of schemes includes plants with capacities ranging from 3.4 MW to 240 MW for solar PV and from 20 MW to 72 MW for onshore wind.

The Promoters are EDP Renováveis S.A., a subsidiary of EDP S.A. (Borrower) in charge of the Group's renewable energy assets, and EDP S.A.

Environmental Assessment

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. Some transmission lines could fall under Annex I of said Directive. High voltage underground cables do not fall either under Annex I or Annex II.

According to the size of the schemes and the national regulations and practices in Portugal, Spain and Italy, most of the schemes are expected to be subject to an EIA process, depending on certain criteria such as overall land occupation and environmental sensitivity of their location. The environmental consent has been obtained for most of the schemes that are expected to be financed under this Framework Loan.

The most relevant environmental impacts expected from the schemes include, among others, those related with noise and activity increase during construction, with the use of land, visual

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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impact and potential impacts on birds and bats (in the case of wind projects). Nevertheless, the specific impacts from the schemes and the mitigation measures are expected to 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 CO₂ emissions and other pollutants 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 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 according to the scheme size and type.

For investments with a cost above EUR 80m, the Bank will review at the appraisal the permitting documentation (including screening decisions) and a separate Environmental Social Data Sheet will be published.

Whenever an EIA process is required and the scheme is above EUR 40m, the EIA report and associated permitting documentation will be provided in copy to the Bank prior to the Bank's approval of the allocation and will be published in EIB's Public Register.

Project Paris Alignment

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

EDP S.A. as head of the Group for the different subsidiaries (including the Promoter EDP Renováveis 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 plans.

Social Assessment, where applicable

The schemes to be implemented under the FL will require the acquisition, lease or easements of land. The Promoter is engaging with the landowners and wider community. Compensation measures are established for people affected by the Project, which may include financial compensation for land expropriation, loss of livelihood or interruption of economic activities. If a voluntary agreement cannot be reached, the Promoter intends to require expropriation following national legislations. It is expected that the implementation of the schemes under this FL will not lead to 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's Human and Labour Rights Policy, its Code of Ethics and its Supplier Code of Conduct, rejects any form or modality of forced or compulsory labour. The Promoter shall ensure that the supply chain of the solar PV panels used in the Project is compliant with the applicable provisions of the relevant labour standard of the Bank, with the aim of avoiding the use of forced labour. The Bank will assess this as part of the allocation process.



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Public Consultation and Stakeholder Engagement

It is expected that for all project components subject to an EIA process, 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. The Borrower has a Local stakeholders Engagement Policy in place to promote a culture of transparency, strengthen the relationship with local stakeholders and promote their effective and active engagement.

Other Environmental and Social Aspects

EDP S.A. is deemed to have sufficient E&S capacity to implement the Project in line with the Bank's requirements. The Promoter has a sound governance model, a solid organisational structure and has certified its management systems (ISO 9001, ISO 14001, ISO 45001, 37301 and 37001).

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the Promoter including its organisation, process and procedures and deemed them to be good. Based on the information available, and with appropriate conditions (see below) and monitoring, the programme is expected to be acceptable in environmental and social terms for Bank financing.

- The Promoter shall not allocate any EIB funds against schemes that require an EIA or biodiversity assessment according to EU and national law without, prior to allocation, receiving consent from the competent authority, and the Non-Technical Summary of the EIA having been made available to the public.
- 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, 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.
- For schemes which fall under Annex II of the EIA Directive and not requiring an EIA (screened out), the Promoter shall ensure that a screening procedure taking into account the criteria listed in Annex III of EU EIA Directive was carried out by the environmental competent authority.
- The Promoter shall ensure that the supply chain of the solar PV panels used in the Project is compliant with the applicable provisions of the relevant labour standard of the Bank and avoids the use of forced labour. For this purpose, the Promoter undertakes to make reasonable efforts to carry out appropriate due diligence throughout its supply chain, 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.