



Luxembourg, 19.12.2022

Environmental and Social Data Sheet

Overview

Project Name:	<i>CANADIAN SOLAR VEHICLE</i>	
Project Number:	<i>2020-0737</i>	
Country:	<i>Italy</i>	
Project Description:	<i>Framework Loan operation to finance a portfolio of greenfield solar PV projects in Italy</i>	
EIA required:		yes (some schemes)
Project included in Carbon Footprint Exercise ¹ :		No

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

Environmental and Social Assessment

The operation will support the implementation of a portfolio of small and medium-size (less than EUR 20m individual investment cost) Solar PV plants, for a total capacity of ~480 MWp. The Promoter is a leading Solar PV module manufacturer, with experience in the development, construction and operation of solar PV projects.

Environmental Assessment

The solar PV plants fall under Annex II of EIA Directive 2014/52/EU amending the EIA Directive 2011/92/EU, and therefore it is up to the Competent Authority to decide whether or not an EIA is required. In Italy, the Environmental Impact decision is part of the administrative Framework Authorisation (i.e. Autorizzazione Unica) required by the national regulation. Autorizzazione Unica is a single authorisation which must be filed with the provincial authority where the project is located, demonstrating that the works will be undertaken in compliance with existing zoning laws and plans, and with safety, health and environmental protection regulations, along with supporting documentation. In the case where an EIA is needed, the Autorizzazione Unica process is suspended until the resolution of the EIA.

Only projects that receive environmental authorisations (where applicable) including opinion from the Competent Authority of no negative impact on any Natura 2000 site, and that are in compliance with the EIB's E&S Standards, can receive EIB financing. Schemes with significant negative impacts on areas with high biodiversity value, nature conservation areas, including bird migration routes, shall not be eligible.

Social Assessment

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 Promoter has a Human Rights Policy in place, rejecting the use of any form of forced or compulsory labour. In terms of due

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.



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diligence, the promoter has reinforced its assessment process on supply chain sustainability, including on key aspects such as forced labour and ethical practices. Moreover, the Promoter has provided a declaration indicating the origin of the different tiers (up to polysilicon) of the supply chain of the solar modules to be used in the projects. The Promoter will be contractually obliged to update this declaration – as well as the due diligence – should the sub-suppliers or the modules change during the framework loan implementation. The Bank will then assess such updated declaration and due diligence as part of the allocation process.

In addition, under the finance contract, the promoter will undertake to ensure that there will be no project allocations under this framework loan whose supply chain is linked to forced labour, and to cascade down similar requirements in its underlying project agreements.

Public Consultation Stakeholder Engagement

For projects subject to an environmental impact assessment as defined by national legislation, the Promoter shall ensure that an E&S assessment is carried out and that public consultation is undertaken in accordance with national legislation and the EIA Directive.

Other Environmental and Social Aspects

The Promoter has been assessed by the Bank to possess sufficient E&S capacity to assess and manage Environmental and social risks related to its projects. Canadian Solar has a solid organisational structure, with certified quality, HSE and environmental management systems (ISO 9001, ISO 14001, OSHAS 18001).

Underlying subprojects with investment cost between EUR 25m and EUR 50m will be reviewed and approved ex-ante by the Bank. Small schemes with investment cost lower than EUR 25m will be reviewed ex-post.

Conclusions and Recommendations

The investments targeted by the operation are expected to have limited social and environmental impact, provided that all mitigation measures, assessed by the Bank at the project level as part of the allocation approval process, are implemented.

The Promoter's E&S policies and management capacity to comply with the EIB requirements have been assessed and found to be adequate and commensurate with the E&S risk of the underlying projects. The following loan undertakings will be included in the legal documentation:

- The Promoter shall not commit EIB funds to schemes that require an EIA or biodiversity assessment according to EU and national law prior to receiving consent from the competent authority.
- 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.

Whenever an EIA is required, the environmental impact study (EIS) will be provided in copy to the Bank for publication.