

Public

Environmental and Social Data Sheet

Overview

Project Name:	ATLAS IBERIA RE GREEN LOAN
Project Number:	2020-0839
Country:	Spain and Portugal
Project Description:	Financing of a portfolio of greenfield onshore wind and solar PV projects in Spain and Portugal

EIA required: yes (some schemes)

Project included in Carbon Footprint Exercise¹: yes

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

Environmental and Social Assessment

Environmental Assessment

The operation consists of an investment loan to support part of the portfolio of Onshore Wind and Solar PV plants, for a total capacity of ~2.6 GW, which the promoter, Aquila Capital, intends to implement in Spain and Portugal until 2024.

The plants are located across Spain and Portugal. In Spain, the portfolio comprises 9 onshore wind farms (ca. 289 MW) all located in Andalusia, Southern Spain and 26 solar plants (ca. 1.8 GWp) located mostly in Andalusia (56%, 1.03 GWp, 8 plants) and Castilla León (32%, 584 MWp, 7 plants), with the rest (12%, 213 MWp, 11 plants) in Castilla la Mancha, Comunidad Valenciana, Murcia and Extremadura. In Portugal the portfolio consists of 9 Solar PV plants (ca. 509 MWp) spread across the country, mostly near Lisbon and the South.

Aquila Capital is a German asset manager, founded in 2001. In the renewable energy sector, it manages ~6.6 GW of operational and development assets, mostly wind (~36%), solar PV (~40%) and hydro (14%).

Due to their technical characteristics, most of the plants 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. In addition, the

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.

Luxembourg, 15.09.2021

plants include aerial power lines for the interconnection to the grid, which are included in Annex I of the EIA Directive, being jointly subject in any case to an EIA process.

With regard 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 the Bank with written confirmation to this effect from the competent authority, or an equivalent confirmation satisfactory to the Bank.

When the different sub-portfolios are ready for financial close, the Bank will carry out a series of appraisals, assessing EIAs and all permitting documentation, including the compliance with applicable EU Directives. Whenever an EIA process is required, the environmental impact study (EIS) and the non-technical summary of the EIS report will be provided in copy to the Bank for publication prior to the Bank's approval of the sub-portfolio. A series of specific ESDS will be prepared and published for the individual sub-portfolios.

The Bank carried out an initial assessment of some of the EIA studies, which were available at the time of appraisal, including an adequate identification of the individual and cumulative impacts of the projects (such as visual and noise impacts, impacts on biodiversity and ecosystems – mainly loss of habitats for solar PV and collisions and disturbance of avifauna for wind farms, and impact on cultural and archaeological patrimony), the determination of their significance, as well as the measures to avoid, reduce, mitigate and compensate the impacts.

All EIA reports include and/or will include the corresponding Environmental Management Plans, including activities to be carried out during construction and operational phases.

Currently, all plants are under development, with the first ones expected to commence construction by the end of 2021.

Social Assessment

The implementation of the plants and associated infrastructure will likely require the acquisition, lease or easements of land. The promoter is engaging with the land owners in order to secure voluntary agreements for the lands required by all project infrastructures. If a voluntary agreement cannot be reached, the promoter intends to require expropriation. Both in Spain and Portugal, all projects required for the implementation of the different activities within the electricity sector, including generation, promoted by public or private companies, are considered of public utility, and are subject to expropriation to be carried out by the authority in the interest of the promoters.

Therefore, the Promoter is expected to ask for declaration of public utility for the different schemes. It is expected that the implementation of the schemes under this operation will not lead to involuntary physical or economic displacement or resettlement.

Luxembourg, 15.09.2021

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 by national and regional law. The declaration of public utility process has its own public information phase. The promoter is not developing further stakeholder engagement activities.

Carbon footprint

The complete implementation of the project will avoid CO₂ emissions of 1,764 tCO₂ per year. The plants will not produce any CO₂ emissions during their operational life. 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 the project cost.

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 as part of the Stage 2 appraisal and approval process, are implemented.

The Bank will require, as a condition for loan signature or disbursement for each sub-portfolio, that the EIA process is finalised and the environmental licence is granted, in line with the applicable EU Directives and National law.

The Promoter shall store and maintain updated the relevant documents, including environmental studies related to the EIA, the Non-Technical Summaries of the EIAs, and Nature/Biodiversity Assessments or equivalent documents supporting compliance with the EU Habitats, Birds and Water Framework Directives, to be provided to the Bank upon request.

For plants 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, stating that the plants do not have any significant negative impact on any such site.

The Bank will require that the supplies used in the project are compliant with the EIB's labour standards. Recent reports are pointing out the possibility of use of forced labour in the supply chain of certain solar PV technologies. The Bank will require that the supplies used in the project are compliant with the EIB's labour standards, and do not stem from the use of forced labour on any segment of their complete value chain. The Bank will assess this before disbursing the funds.

Under these conditions, the Operation is acceptable for EIB financing in E&S terms. However, a series of specific ESDS will be prepared and published before the approval of the individual sub-portfolios.