

Luxembourg, 2nd February 2022

Environmental and Social Data Sheet

Overview

Project Name: *HELIOS GREEN LOAN*
 Project Number: *2021-0428*
 Country: *Spain*
 Project Description: *The Project consists of the development, design, construction and operation of 15 solar PV plants located across three regions of Spain (Aragon, Castilla La Mancha and Castilla y Leon), with a total installed capacity of approximately 625 MWp.*

EIA required: yes

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 Project consists of the development, design, construction and operation of a multi-scheme investment project of 15 solar PV projects and associated infrastructure, each with an installed capacity between 15 and 55 MWp, for a total capacity of 685 MWp. The projects are all located in Spain, the majority in the region of Aragon and others in the regions of Castilla La Mancha and Castilla y Leon, as detailed in the table below.

Project	Region	MWp	Percentage of investment cost
La Estación	Aragón	41.5	59%
Los Arcos	Aragón	54.5	
Cartujos 1 & 2	Aragón	44.7	
El Fede	Aragón	27.0	
Vallobar	Aragón	55.0	
Plana de la Pena 1	Aragón	50.0	
Plana de la Pena 2	Aragón	55.0	
Larral	Aragón	55.0	
Peñaza	Aragón	15.8	
Las Capillas	C. y León	53.5	12%
Las Mulas	C. y León	26.6	

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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Manzanares 1	C. La Mancha	41.5	29%
Covatillas 1	C. La Mancha	55.0	
Covatillas 2	C. La Mancha	55.0	
Covatillas 3	C. La Mancha	55.0	
Total		685.0	

All solar PV plants and most grid connection facilities fall under Annex II of the Environmental Impact Assessment (EIA) Directive 2014/52/EU amending the EIA Directive 2011/92/EC, and were screened in. A few grid connection facilities fall under Annex I of the Environmental Impact Assessment (EIA) Directive 2014/52/EU amending the EIA Directive 2011/92/EC. All the schemes therefore underwent or are undergoing a full EIA process, including public consultation. In particular, five of the schemes (La Estación, Los Arcos, Larral, Peñaza and Manzanares) have already received the environmental authorization (*Declaración de Impacto Ambiental*), while for the rest of the schemes (10 out of 15) the EIA process is still on-going. Some of the schemes will share grid connection facilities with other projects that are not part of this operation.

The Environmental Impact Studies (EISs) are available for all schemes, except for a few shared grid connection facilities, and their general quality was found acceptable. Where relevant, the EISs included a cumulative impacts assessment taking into account the neighbouring (existing and planned) infrastructures, including other PV plants. For those schemes currently undergoing the EIA process, and for the shared grid connection facilities for which detailed documentation is unavailable at the time of writing of this document, the Bank will review the permitting documentation (e.g. final EIA report and environmental permit), including the compliance with applicable EU Directives, before disbursement against the concerned scheme.

None of the PV plants and associated grid connection facilities are located within Natura 2000 sites or other protected areas, with the nearest Natura 2000 sites across all schemes located between 200m and 1800m away according to the promoter's documents. As per the EISs, and provided all mitigation measures are implemented, none of the schemes were found to have a significant impact from an environmental point of view. The absence of significant impact on Natura 2000 sites was confirmed by the competent authority for the five schemes that have obtained their environmental authorization, and is subject to further confirmation by the competent authority for the other 10 schemes, as part of the Spanish EIA process. For those schemes, the compliance with the Habitats Directive 92/43/EEC and/or Birds Directive 2009/147/EC will be reviewed by the Bank before disbursement.

The schemes are mostly located on agricultural land, and are expected to generate acceptable impacts during both construction and operation phases. The schemes entail limited negative impacts mainly on landscape, soil and fauna. During the construction phase, main impacts are associated with the presence of machinery, vehicles, construction workers, and the erection of the PV plants infrastructures. The impacts relate to increase of dust and noise due to construction related activities, as well as increased traffic in the surrounding areas, soil erosion due to the loss of vegetal cover, and loss of habitats. During the operation phase, given the presence of the PV plants, connection infrastructures and other similar facilities in the surrounding area, the main impacts are related to loss and fragmentation of habitats, barrier effect, visual impacts and birds collision risk with the transmission lines. Overall, the impact during construction and operation phases are considered to be acceptable.



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Specific mitigation measures foreseen in the EISs during construction and operation phases vary, and they will be reviewed in more detail once all schemes have received the environmental authorisation.

The EISs cover the entire lifecycle of the facilities, including the decommissioning, foreseeing restoration activities to reinstate the sites in their original states after the operational phase. Waste produced during decommissioning is classified following the European List of Waste. The Directive for electrical and electronic equipment waste (Directive 2012/19/EU, further amended by Directive 2018/849) is transposed by national law RD 110/2015. PV panels contains a complex mixture of materials, some of which are hazardous, that need to undergo waste management operations. RD 110/2015 describes the treatment this type of waste needs at the end of the life, including preparation prior to recovery (such as recycling) or disposal. The promoter will have to present a decommissioning plan to the competent authority in advance of the planned end of the activities.

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 Carbon Footprint Exercise

In line with the Bank's current Carbon Footprint methodology, and based on the avoidance of electricity generation from a combination of existing and new power plants in Spain (combined margin for intermittent generation), the total relative effect of the project is a net reduction in CO₂ equivalent emissions by ca. 430 kt CO₂e/yr.

For the annual accounting purposes, if the project is included in 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.

Social Assessment, where applicable

The implementation of the project will not lead to involuntary physical or economic displacement or resettlement. The current use of the sites is mostly agricultural, and such activity will continue to be carried out in the area (outside the plant perimeter) with the standard safeguards and will not be affected by the project.

The promoter has engaged with the landowners and, for the majority of the plots, has reached voluntary agreements in the form of land purchase, leases, surface rights or rights of way. For the land plots that are still to be secured, the promoter is expecting to negotiate with the related landowners. In parallel, the promoter is expecting to obtain the public utility declaration from the relevant authorities and will only resort to launching expropriation procedures in the case where a voluntary agreement cannot be reached. In Spain all projects considered of public utility can be subject to expropriation, to be carried out by the relevant authorities in the interest of the promoters.

Public Consultation and Stakeholder Engagement

Public consultations are carried out under the EIA process, as required by the EIA Directive, and as transposed into national and regional law. The promoter has not developed further stakeholder engagement activities beyond what is required by law.

The Promoter has reported no open complaints for the Project.



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Other Environmental and Social Aspects

The environmental capacity of the promoter is deemed to be sufficient to appropriately manage the project.

The promoter is fully dedicated to the development, construction and operation of solar PV and, to a lesser extent, onshore wind plants, and its activities are therefore considered aligned with the goals of the Paris Agreement.

Recent reports are pointing out the possibility of use of forced labour in the supply chain of solar PV panels. The promoter has a Human Rights Policy and a Suppliers' Code of Conduct in place, rejecting the use of any form of forced or compulsory labour, which are also applicable to the EPC contractor, being an affiliate of the promoter. The promoter confirmed that each PV module supply contract contains specific obligations for the relevant supplier to comply with this Code of Conduct. The project will have to comply with the EIB E&S Standards, which foresees to avoid the use of forced labour, and envisages additional due diligence further down the supply chain in case of concerns.

Conclusions and Recommendations

As a condition for disbursement for the schemes that have not obtained their environmental permits, the promoter shall provide for each scheme (PV plant and associated infrastructure):

- Electronic copy of the final EIS (including appropriate assessment, if required, and information on the public consultation process), approved or endorsed by the competent authority and satisfactory to the Bank.
- Electronic copy of the environmental consent (Declaracion de Impacto Ambiental)
- The evidence of no negative impact on Natura 2000 sites (form A or equivalent declaration by the competent authority, e.g. an explicit statement of no negative impact from the competent authority in the environmental permit)

This condition is also applicable for the shared grid connection facilities for which detailed documentation was unavailable at the time of writing of this document.

The promoter undertakes not to allocate EIB's funds to components until the EIA process and/or the necessary supporting documentation (e.g. appropriate assessment), have been finalised and approved or endorsed by the relevant competent authorities and satisfactory to the EIB.

As a project undertaking, the promoter will have to demonstrate that the measures foreseen in the EISs and the permits, including measures to avoid, reduce and mitigate the impact, as well as monitoring indicators, were put in place during the construction and operational phases.

The promoter will undertake 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 these schemes.

Under these conditions, the operation is considered acceptable in E&S terms.