

Luxembourg, 22nd July 2022

Environmental and Social Data Sheet

Overview

Project Name: IBERDROLA GREEN ENERGY FRAMEWORK LOAN II
 Project Number: 2022-0085
 Country: Spain
 Project Description: Financing of solar PV and wind power projects across Spain, mostly located in cohesion regions

EIA required: Some of the underlying schemes may require an EIA

Project included in Carbon Footprint Exercise¹: no

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

Environmental and Social Assessment

Environmental Assessment

The present operation concerns a Framework Loan (FL) that will support the investment plan of the promoter, Iberdrola, over the period 2022-2023. The FL is expected to finance a large number of utility-scale solar PV and wind projects in Spain, including the ancillary infrastructure for the interconnection to the grid, for a total of ca. 1.8 GW of new renewable energy (RE) capacity. This pipeline includes nine utility-scale solar PV projects (ca. 1.6 GWp) and three wind projects (ca. 0.2 GWp), with sizes ranging from 50 MWp to 375 MWp for solar PV and 15 MW to 94 MW for wind projects.

Due to their technical characteristics, most of the investments 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.

According to the national legislation, ground-mounted solar PV occupying more than 100ha are automatically screened in for EIA process ("evaluación ambiental ordinaria"). Projects occupying more than 10ha in a protected area are also automatically screened in. Other solar PV plants are subject to a screening decision ("evaluación ambiental simplificada") if occupying more than 10ha (PV plants occupying less than 10ha would be screened-out automatically, unless they would affect directly or indirectly a Natura 2000 site). The regionally transposed legislations may foresee thresholds that are more stringent. The current pipeline of projects includes seven PV plants occupying more than 100 ha.

According to the national legislation, wind farms with more than 50 Wind Turbine Generators (WTG), or with an installed capacity above 30 MW or that are located less than 2km from an existing wind farm, are automatically screened in for EIA process. Projects with more than 10 WTG or 6 MW are automatically screened in if they are located within a protected area. Other wind farms are subject to screening decision (except the wind farms of less than 100 kW for

¹ Framework loan operations are not included in the EIB Carbon Footprint



Luxembourg, 20th July 2022

self-consumption, which are automatically screened-out, unless they would affect directly or indirectly a Natura 2000 site). The regionally transposed legislations may foresee thresholds that are more stringent. The current pipeline of projects includes two wind farms with more than 30 MW of installed capacity for which an EIA would be required, being automatically screened in based on the national thresholds.

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 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 will assess all permitting documentation (including screening decisions) when reviewing the documentation for the allocations, including the compliance with applicable EU Directives. Whenever an EIA process is required, the EIA report and the nontechnical summary of the EIA report will be provided in copy to the Bank prior to the Bank's approval of the allocation, and will be published by the Bank. Out of the 12 schemes in the initial pipeline, six have already secured their environmental consent. The schemes to be financed by the framework loan will be assessed in detail prior to the allocation of the EIB funds to these schemes. For investments with a cost above 50 MEUR, a separate Environmental Social Data Sheet will be published.

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

Iberdrola S.A. as the head of group for the different Iberdrola subsidiaries is in scope and screened in to the PATH framework, under the low carbon requirements. The counterparty is not involved in incompatible activities and it already meets the requirements of the EIB PATH framework with its existing alignment plan.

Social Assessment

The schemes to be implemented under the FL will require for the installation of the projects' components the acquisition, lease or easements of land. The promoter is engaging with the landowners 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, in line with Spanish legislation. In Spain, 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 urgent forced 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 some of the schemes. 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 has a Policy on Respect for Human Rights rejecting the use of any form of forced or compulsory labour. The promoter has reinforced its assessment process on supply chain sustainability, including on key aspects like forced labour and ethical practices.



Luxembourg, 20th July 2022

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. The Bank will assess this as part of the allocation process.

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 the national and regional law. The Promoter has channels of contact on social responsibility, sustainability and environmental matters (responsabilidad_social@iberdrola.es, sostenibilidad@iberdrola.es, medioambiente@iberdrola.es).

Other Environmental and Social Aspects

The Promoter is known to the Bank from previous operations and has sufficient E&S capacity to implement the project. The promoter has a solid organisational structure and has certified its management systems (ISO 14001).

Conclusions and Recommendations

The promoter shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to EU and national law without, prior to commitment, receiving consent from the competent authority, and the Non-Technical Summary of the EIA having been made available to the public.

The promoter shall store and maintain updated the relevant documents (including environmental studies related to the EIA, the Non-Technical Summaries of the 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.

For schemes subject to an EIA, the promoter should deliver the environmental studies and documents related to the EIA to the Bank before the funds are allocated (including EIA report, Non Technical Summary, environmental consent).

For schemes subject to a screening decision and screened out from the EIA process, the promoter should deliver such decision from the competent authority together with the related documents and studies, prior to the Bank's approval of the allocation.

Whenever applicable, the promoter undertakes to fulfil the requirements of the environmental impact studies (EIA report or others) and Environmental Permits.

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. Such confirmation should be delivered to the Bank before the funds are allocated. Schemes with significant negative impacts on a nature conservation site shall not be eligible.

The schemes should comply with the Bank E&S Standards.

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