



Luxembourg, 04.10.2022

Environmental and Social Data Sheet

Overview

Project Name:	NORDLB Renewable Energy
Project Number:	2022-0237
Country:	Poland, Denmark and Sweden, other EU countries
Project Description:	Intermediated Framework Loan to finance Renewable Energy Projects (solar PV and onshore wind and potentially associated battery energy storage). End beneficiaries will be based in Poland, Denmark, Sweden, and potentially other EU countries.
EIA required:	Some schemes may require an ESIA under the relevant legislation.
Project included in Carbon Footprint Exercise ¹ :	No

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

Environmental and Social Assessment

Environmental Assessment

The operation is a Framework Loan (FL) to a Financial Intermediary (FI) that will be used to finance renewable energy projects (solar PV and onshore wind farms) in Poland, Denmark and Sweden. The operation will contribute to EU energy objectives by supporting investments in new renewable energy generation capacity. The investments will generate environmental benefits in terms of reduction of air pollutants and GHG emissions, ultimately helping to mitigate climate change.

The schemes are expected to fall under Annex II of the Environmental Impact Assessment ("EIA") Directive 2014/52/EU amending Directive 2011/92/EU, requiring the competent authorities to determine whether an ESIA is required or not. Most of the individual projects to be financed are likely to have limited negative environmental impacts and are expected to be mitigated appropriately. For projects that require an ESIA, the FI shall provide the Bank with a copy of the ESIA study, and/or officially publish the website link where the ESIA is located. If a project is screened out, then, according to the EIA Directive, this should also be made public, stating the reasons for not requiring such an assessment.

The FI will be required to verify that none of the schemes has a significant adverse impact on any site forming part of the EU Natura 2000 network (falling under Habitats Directive 92/43/EEC or Birds Directive 2009/147/EC). Schemes with significant negative impacts on areas with high biodiversity value, nature conservation areas, including bird migration routes, shall not be eligible.

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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The operation is fully aligned with 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

Intermediated lending through Framework Loans is not currently included in the carbon footprint exercise.

EIB Paris Alignment for Counterparties (PATH) Framework

The FI is in scope and screened in for the PATH framework, but does not fully meet PATH requirements at present until ongoing changes are fully implemented by the FI.

Consequently, the FI has agreed to adjust its decarbonisation and/or resilience plans and publicly disclose a new or updated alignment plan within 1 year.

The FI has agreed to develop and publicly disclose TCFD-aligned reporting within one year following loan signature in line with the requirements of the PATH framework. The loan documentation will include appropriate contractual obligations.

Social Assessment

All investments and subsequent projects need to comply with the Bank's requirements, including applicable provisions of the relevant labour standard of the Bank, particularly Standard 8 – Labour Standards. The FI will be required to undertake reasonable efforts to mitigate risks of forced labour in the supply chain. This will include, on a best effort basis, enhanced due diligence practically achievable, also guided by the FI's human rights commitment, ensuring that appropriate contractual provisions are passed on to contractors/suppliers for each of the investments and projects.

Other Environmental and Social Aspects

The FI uses the Equator Principles to address environmental and social issues in project finance activities and is used to following / complying with E&S and H&S (Health and Safety) standards of other International Financial Institutions and European export credit agencies.

The FI has substantial experience in non-recourse financing of wind and solar PV projects. The FI has adequate capacity and systems in place to assess and manage E&S risks related to the operation. The FI is currently upgrading its Environmental and Social Governance (ESG) processes with the ambition to implement best practices. The model is also in the process of being implemented and embedded in the organisational structure across all business units. The upgraded model will ensure a state of the art Environmental and Social Management System (ESMS) with dedicated ESG related responsibilities.

All projects under this operation undergo due diligence by the FI, including appraisal of environmental and social risks as well as monitoring. The promoters of the underlying projects will be required to have an HSE policy in place and to comply with the relevant laws.



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Conclusions and Recommendations

The FI'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. It is considered that the procedures carried out for individual investments, verified by the FI, will appropriately address environmental and social issues and ensure that the investments to be part-financed under this Framework Loan meet the Bank's requirements.

The investments targeted by the operation are contributing to climate change mitigation and are expected to have limited residual social and environmental impacts.

For each scheme that may have an impact on a nature conservation site, the Financial Intermediary shall obtain confirmation from the competent nature conservation authority, or an equivalent assessment satisfactory to the Bank, that the scheme does not have a significant negative impact on any site of nature conservation importance.

The FI 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.

The Financial Intermediary shall undertake reasonable efforts in case of concern to mitigate against the risk of forced labour in the solar PV supply chain. This will include enhanced due diligence where practically achievable and ensuring that relevant obligations are passed on in supplier contracts.

PATH Framework obligations are detailed in the "*EIB Paris Alignment for Counterparties (PATH) Framework*" section of this document.

In view of the above findings and conditions, the operation is considered satisfactory from an environmental and social compliance perspective.