



Luxembourg, 29.11.2022

## Environmental and Social Data Sheet<sup>1</sup>

### Overview

Project Name:	ORMAZABAL RDI & INVESTMENTS
Project Number:	2022-0551
Country:	Spain
Project Description:	The proposed EIB loan aims at financing Ormazabal's RDI activities in Europe over a four year period, which are expected to further support the competitiveness of the group.
EIA required:	no
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise <sup>2</sup> :	no

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

### Environmental and Social Assessment

#### Environmental Assessment

The project concerns the R&D activities of the promoter for the development of new equipment used in the electrical distribution networks.

The R&D activities included in the project do not fall under any Annex of the EIA Directive 2014/52/EU amending the Directive 2011/92/EU; moreover, they will be carried out in existing facilities already authorised that will not change their scope due to the project. The output of the investment programme is associated with some environmental benefits for the following reasons: Firstly, through the development of technologies that should in the future avoid the usage of the GHG SF6 within certain types of electrical equipment used in the distribution networks. Second, by developing new types of transformers achieving increased energy efficiency. Third, by developing high-tech equipment and software that supports the digitalisation of the electrical grids and that may ultimately lead to more efficient grids. Fourth, by developing solutions and technologies that will help the integration of renewable energy into the grid. Therefore, the project is expected to have a positive environmental impact.

The residual environmental project risks are deemed low. Moreover, increasing equipment efficiency and the replacement of SF6 in its products is a key driver for the promoter's R&D. If successful, the carbon footprint of the promoter's equipment will further improve and finally those benefits will be available to its worldwide clients.

The project's activities are fully aligned with the Paris Agreement on climate change according to the Bank's definition (Annex B of the climate bank roadmap).

<sup>1</sup> The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary

<sup>2</sup> 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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### **EIB Paris Alignment for Counterparties (PATH) Framework**

The parent company of the counterparty – Velatia SL - is in scope and screened out of the PATH framework, because it is not considered high emitting and not high vulnerability.

### **Other Environmental and Social Aspects**

Awareness on environmental protection appears to be well integrated into the company's procedures. To facilitate the reduction of environmental impacts, the promoter's manufacturing facilities are certified ISO 14001 for environmental management. They are as well certified ISO 45001 for occupational health and safety management. Velatia publishes non-financial indicators as energy consumption, material consumption and direct GHG emissions on a regular basis. The promoter's corporate and social responsibility policy supports and promotes training, innovation, continuous improvement and environmental protection by preventing pollution and respect for people's health and safety by preventing accidents, illnesses or damage to health.

### **Conclusions and Recommendations**

Considering the above, the project's direct environmental impact is expected to be very limited, whereas some products resulting from the R&D programme are likely to contribute to a more sustainable electrical power distribution and the reduction of GHG emissions.

Therefore, the project is considered acceptable for Bank financing in environmental and social terms.

Sustainability proofing conclusion: the project is carried out in compliance with applicable national and EU environmental and social legislation. Based on the environment, climate and social (ECS) information and based on the review of the likely significant ECS risks and impacts and the mitigation measures and management systems in place, the project is deemed to have low residual ECS risks and impacts. No further sustainability proofing is required.