

Luxembourg, 12th July 2023**Public**

Environmental and Social Data Sheet¹

Overview

Project Name: *BURGENLAND ENERGIE SOLAR AND WIND GREEN LOAN*
 Project Number: *(2022-0829)*
 Country: *Austria*
 Project Description: *The investment programme comprises the implementation and operation of a portfolio of solar PV plants and wind farms in Austria, with an aggregate capacity of ca 1.3GW.*

EIA required: Multi-scheme operation, EIA-requirement varies
(If EIA is required by EU law or by the Bank, ensure that for projects inside and outside EU the full EIA/EIS, as well as the NTS, where appropriate, is sent to the_register@eib.org, or provide here the necessary information, such as condition for 1st disbursement, other...)

Invest EU sustainability proofing required yes

Project included in Carbon Footprint Exercise²: yes

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

Environmental and Social Assessment

The project is part of the Promoter's multi-annual investment programme concerning ground-based solar PV plants and wind farms in Austria (Burgenland), with a total capacity of up to 2 GW. The individual schemes differ in development status and in certainty of implementation. The project scope is limited to the first ca. 1.3 GW of plants that will be implemented during the period 2022 (first schemes have started construction) until 2028. It is expected to comprise 18 solar PV plants (854 MW) and 15 wind farms (430 MW). Some wind projects include the dismantling of old wind turbines (repowering).

The environmental and social due diligence has followed the investment programme lending approach according to the EIB's procedures and standards. The due diligence focuses on the promoter's capacity and capability to implement the programme in line with the EIB environmental and social standards and requirements. This assessment includes the review of EIAs conducted by the promoter.

¹ 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

² 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.



Luxembourg, 12th July 2023

Environmental Assessment

The programme's wind farms are compliant with relevant spatial development plans (as amended) and with regional wind power development plans, notably "Regionales Rahmenkonzept für Windkraftanlagen im Nordburgenland (2010)" and "Windparks im Nordburgenland – Masterplan für Repowering (2016)". Plan "Regionales Rahmenkonzept" is based upon a Strategic Environmental Assessment (SEA) which is publicly available. "Masterplan Repowering" is the outcome of a consultation process between the federal administration of Burgenland, relevant stakeholders (incl. BirdLife Austria), and directly affected municipalities.

The programme's solar PV plants are compliant with the spatial planning requirements of Burgenland ("Rahmenrichtlinie Photovoltaikanlagen auf Freiflächen für das Burgenland 2020").

Wind farms and solar PV installations fall under Annex II of the EIA Directive 2011/92/EU as amended by Directive 2014/52/EU. It is therefore up to the Member State's competent authority to screen whether an individual wind farm requires an EIA report or not, based on criteria defined in Annex III of the EIA Directive. According to the relevant national Act (UVP Act, 2000, as amended), wind farms with an installed capacity of at least 30 MW or when comprising more than 20 turbines are screened in. Lower thresholds apply for wind projects inside protected areas as well as in alpine locations above 1,000 m height (15 MW, 10 turbines). There are no thresholds set for solar PV installations to be screened-in. The promoter indicates that none of the solar PV schemes are expected to require a full EIA.

Given the technical characteristic of the individual schemes, potential environmental impacts may include noise and traffic disruption during the construction as well as impacts on biodiversity and visual impacts. For wind farms, impacts on avifauna, shadow flickering and noise emissions during operation are taken into account in the assessment, amongst others.

The promoter is committed to implement the necessary mitigation measures in line with the mitigation hierarchy. These include, if and where required, appropriate siting of projects in-line with spatial planning and biodiversity assessments, special construction procedures, creation of new habitats to attract protected birds and/or bats away from wind farm and measures to reduce collision risks such as temporary turbine shut off during pre-defined periods of high bat activity, bird and bat monitoring, temporary low noise mode of wind turbine operation.

The Bank reviewed one Environmental Impact Assessment (EIA) report conducted by the promoter which directly relates to the programme (Wind farm Neusiedl Weiden Repowering, 121.8 MW). In addition, six EIA reports relating to recent wind farm developments of the promoter in the same region, but outside this project scope, were reviewed by Bank Services. On this basis, the promoter's work quality in regards to EIA Reports is deemed good.

Climate Assessment

The investment programme substantially contributes to the climate change mitigation objective.

The programme has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap and the Bank's Energy Lending Policy. Residual risks from physical climate hazards are deemed low.

EIB Paris Alignment for Counterparties (PATH) Framework

The project will be implemented by a Special Purpose Vehicle (SPV) which will be owned by the promoter (49%) and a strategic investor (51%). Such SPV would not be in scope of the



Luxembourg, 12th July 2023

Bank's PATH framework. At the time of appraisal, the promoter is in negotiations with strategic investors. A strategic investor will be identified and confirmed by the time of financial close.

EIB Carbon Footprint Exercise

The direct CO₂ equivalent emissions of this investment programme are negligible.

In accordance with the Bank's current Carbon Footprint methodology it is calculated that based on the avoidance of electricity generation from a combination of existing and new power plants in Austria (combined margin for intermittent electricity generation), the total relative effect of the programme is a net reduction in CO₂ equivalent emissions by 386 kt CO₂e/yr.

For the annual accounting purposes of the EIB Carbon Footprint, the programme emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

Social Assessment

The implementation of the project will not lead to any involuntary physical or economic displacement or resettlement. The current use of the lands is mostly for agriculture, and such activity will continue to be carried out in the area (outside the project perimeters).

The promoter has engaged with the landowners and, for all plots of land, has reached voluntary agreements for the project infrastructures, in the form of leases and / or surface rights or rights of way.

Recent independent investigative reports are pointing out the possibility of use of forced labour in the supply chain of solar PV panels. The promoter has a code of conduct which rejects any form of illegal employment and supports fundamental labour rights. The programme shall also comply with the Bank's E&S Standards, which foresees zero tolerance for the use of forced labour. The promoter is required to make reasonable efforts to assess and address the labour risks associated with the supply of the PV panels eventually selected for the Project, including throughout the supply chain. The promoter will report the outcome of his due diligence to the Bank's services for review.

Public Consultation and Stakeholder Engagement

Public consultations, when required, are organised by the competent authority, as part of the permitting processes.

The promoter applies a pro-active communication and stakeholder engagement approach. Relevant stakeholders are informed and consulted early on in the project development process. Project managers are in charge of handling third party concerns relating to their projects. Corresponding communication channels are communicated publicly.

No legal appeals are pending against the individual schemes of the investment programme at the time of appraisal.

Other Environmental and Social Aspects

The promoter is one of the largest operators of renewable energy installations in Austria, with in-depth knowledge of the region and the sector. The promoter is a subsidiary of the regional multi-utility Burgenland Energie AG. An in-house team is responsible for the environmental and social aspects of own investment projects. Each project is subject to environment, health and safety management and control, in-line with national legal requirements.

Luxembourg, 12th July 2023

Conclusions and Recommendations

The Bank has reviewed the environmental and social capacity of the promoter including its organisation, processes and procedures, and deemed them to be satisfactory.

Based on the information available and with appropriate conditions and monitoring, the programme is expected to be acceptable in environmental and social terms for Bank financing:

- The promoter undertakes to ensure that programme schemes that may have an effect on a Natura 2000 site will undergo an analysis (or screening) to determine whether the scheme requires an Appropriate Assessment. When an Appropriate Assessment has been deemed necessary, the promoter will ensure that such assessment is carried out in line with Article 6(3) of the Habitats Directive.
- Schemes with significant negative impacts on a nature conservation site shall not be eligible.
- The promoter undertakes not to allocate the Bank's funds to programme schemes that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised and approved or endorsed by the relevant competent authorities. For schemes requiring an EIA and/or an Appropriate Assessment (AA), an electronic copy of the EIA/AA reports must be sent to the Bank as soon as each scheme is approved by the competent authority.
- The promoter shall store and keep up to date all documents relevant for the programme supporting the compliance with the provisions of EU environmental legislation, including Habitats and Birds Directives, permits and environmental and social approvals and, where required, social studies, and shall promptly upon request deliver such documents to the EIB
- The project shall comply with the Bank's E&S Standards and the promoter undertakes to make reasonable efforts to carry out appropriate due diligence throughout its supply chains, with the aim of avoiding the use of forced labour in the supply chains of the solar panels that will be used for this project. The outcome will be reported to and reviewed by the EIB.

Following the environmental, climate and social screening of the Project against the InvestEU sustainability proofing requirements, the project is expected to have minor environmental residual impacts. The social impacts of the project are expected to be low. Legal compliance will be assessed prior to disbursement against any programme scheme. No further sustainability proofing is required.