

Luxembourg, 3rd May 2023

Environmental and Social Data Sheet

Overview

Project Name:	IBERDROLA REPOWEREU FRAMEWORK LOAN
Project Number:	2022-0896
Country:	Spain, Germany, Portugal
Project Description:	Financing of a set of renewable energy projects across Spain, Portugal and Germany in support of the REPowerEU initiative.

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 over the period 2023-2025. The FL is expected to finance a large number of utility-scale solar PV and onshore wind projects in Spain, Germany and Portugal including the ancillary infrastructure for the interconnection to the grid, for a total of ca. 5.6GW of new renewable energy (RE) capacity. All projects are estimated to be below 100MW, except of five large scale PV plants and one wind farm located in Spain.

Due to their technical characteristics, most of the investments are expected to fall under Annex II of Directive 2014/52/EU amending (Environmental Impact Assessment) 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. In Portugal, solar PV plants with more than 50 MW, or more than 20 MW if located inside sensitive areas (“Rede Nacional de Areas Protegidas” (RNAP) and Natura 2000 sites), are subject to a mandatory EIA, including public consultation. Transmission lines equal or above 100 kV and equal or above 10km are also subject to a mandatory EIA. Similarly in Spain, 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.

A small part of the project pipeline concerns onshore wind farms in Spain. According to national legislation, wind farms with more than 50 Wind Turbine Generators (WTG), or with an installed

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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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 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 three 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. Last, a small part of the project pipeline concerns three solar PV farms in Germany of the medium scale (20MW-70MW). For PV plants, in line with EU law environmental legislation, the national competent authority determines whether an environmental impact assessment is required or not.

Based on information provided by the promoter, it is expected that a large part of the pipeline will be screened in for EIA.

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 review the permitting documentation (including screening decisions) at the appraisal of the allocation. Whenever an EIA process is required, 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. At this stage, the environmental permitting is completed for about 20% of the proposed pipeline, whilst the rest is under way with the promoter having submitted most of the EIA studies to the competent authorities. The schemes to be financed by the framework loan will be assessed prior to the allocation of the EIB funds to these schemes. For investments with a cost above 100 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.

There are no direct emissions related to renewable energy generation. The estimated emissions savings compared to the generation replaced by the schemes are 1337 kilo tonnes of CO2 equivalent per year, following the Bank's standard methodology and based on the preliminary pipeline shared by the promoter.

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 into 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 respective national legislation. 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.



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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. 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 (<https://www.iberdrola.com/contact/query-mailbox>).

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, 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.