

Luxembourg, 12.07.2023

Environmental and Social Data Sheet

Overview

Project Name: *REPSOL REPOWER EU WIND & SOLAR*
 Project Number: *2022-0947*
 Country: *Spain*
 Project Description: *The investment programme comprises the implementation and operation of a portfolio of solar PV plants and wind farms with an aggregate capacity of 1.09GW. The programme schemes are located in various regions in Spain.*

EIA required: yes

Project included in Carbon Footprint Exercise¹: yes

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

Environmental and Social Assessment

The investment programme comprises part of the promoter's wider investment plan in the renewable energy sector in Spain, for the period 2021-2025. The programme scope consists of wind farms and two solar PV farms, which will be implemented in the period Q2-2023 to Q3-2025. The programme schemes are located in the Spanish regions of Aragón, Castilla y León, Castilla-La Mancha and Comunidad Valenciana.

Environmental Assessment

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 decide whether a project requires an EIA or not. According to the applicable national and regional legislation, all programme schemes were subject to an EIA. One PV plant underwent a simplified environmental approval process (in line with Royal Decree 06/2022 in Spain) -the relevant approval has been issued. The EIA process has been concluded for the majority of the programme schemes, with the decision for one scheme still pending.

As per Spanish legislation, the associated grid connection facilities can be permitted under a separate EIA process, when these facilities are shared with other producers and the initiation of the process was done for another project. For programme schemes where the grid infrastructure will be used for the sole purpose of connecting the specific plant to the electricity grid, the EIA scope included both the plant and the network infrastructure. The EIA processes have been favourably concluded for all grid connection facilities relating to the programme schemes.

The EIB appraisal has followed the Investment Programme approach, whereby the promoter's E&S capacity is assessed. This assessment includes the review of at least two EIAs conducted by the promoter. In the context of this operation, seven EIAs concerning programme schemes

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.



Luxembourg, 12.07.2023

were reviewed. The following paragraphs summarise the impacts and mitigation measures deriving from the review of the respective E&S documentation and from projects in this sector, deploying similar technologies.

Based on the relevant EIA conclusions and given the nature and technical characteristics of the schemes, environmental impacts mainly include noise and traffic disruption during the construction, visual impacts, impacts on cultural heritage, on landscape and on biodiversity. Cumulative impacts with other projects and associated facilities have been considered in the EISs (Environmental Impact Studies). For wind farms in particular, impacts on avifauna, shadow flickering and noise emissions are expected during the operation phase. During this phase, impacts on avifauna, as well as electro-magnetic radiation are also expected by the high voltage equipment (mainly overhead, high voltage electricity lines) connecting the plants to the grid.

Furthermore, most programme schemes are in proximity or adjoin Natura 2000 sites, whereas in some cases their grid connection facilities overlap with such sites. For the majority of the programme schemes, an Appropriate Assessment in line with Article 6.3 of the Habitats Directive was required. The decisions reviewed, concluded that the respective project would not adversely affect the scope of the concerned Natura 2000 site or that no significant impact would occur, provided that the relevant measures reported in the biodiversity assessment and the EIA decision are fully implemented. The authority's decisions and/or the biodiversity studies were conducted on the basis of conservation plans and/or conservation objectives, as available at the time of conclusion of the respective study and authority decision.

Overall mitigation measures include, amongst others, construction procedures to minimize damages and disturbance (spraying water to minimise dust on construction sites), measures to reduce potential soil and water contamination, minimisation of use of plant protection products, preservation of watersheds within the project site as possible, standard waste management procedures in line with national legislation, top soil restoration as needed, transit of machinery via authorised routes, measures to reduce impact on archaeological patrimony and on landscape, measures to protect the flora and the fauna such as cutting woodland -only when strictly required- outside of certain periods etc.

For some of the wind farms, the EIA final approval was issued on the basis of removal or relocation of Wind Turbine Generators (WTGs) proposed by the promoter in the initial design. The main driver for removing the aforementioned WTGs was to limit the impact on environmentally protected sites (mainly Natura 2000). For the high voltage lines, mitigation measures include undergrounding certain sections, as and when required.

For the impact on habitats and avifauna, mitigation, corrective and compensation measures include planning of works outside of breeding and nesting periods for birds, creation of new habitats/foraging/nesting areas to attract protected birds and/or bats away from wind farms and measures to reduce collision risks, such as wind turbine blade lighting and stop sensors, are foreseen.

During the operation phase of the wind farms, bird monitoring will be conducted for five years in most cases, extending to the life of the projects in others. Should the monitoring conclude on significant, adverse impacts on birds (i.e. high mortality rates), partial or complete cease of operation of the WTGs will be required.

Based on the review of the aforementioned EIA documentation and the available information provided by the promoter on their policies/procedures/standard practices, it was concluded that the promoter has the capacity to implement and operate the programme in line with the Bank's requirements and is committed to implement the necessary measures as envisaged in the E&S studies and in the respective permits.



Luxembourg, 12.07.2023

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.

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 Spain (combined margin for intermittent electricity generation), the total relative effect of the programme is a net reduction in CO₂ equivalent emissions by 831 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.

EIB Paris Alignment for Counterparties (PATH) Framework

- The counterparty, REPSOL S.A., is in scope and screened in to the PATH framework, as it is active in a high-emitting sector and operates in a context of high climate vulnerability.
- The counterparty already meets the requirements of the EIB PATH framework with its existing alignment plans.
- The counterparty is active in activities that are considered incompatible with the Paris Agreement in the PATH framework. Based on the conditions set out in paragraph 4.28 of version 1.1 of the PATH framework, the counterparty is deemed to meet the PATH requirements.

Social Assessment, where applicable

The promoter engages with landowners in order to secure voluntary agreements for the land plots required for all the programme-related infrastructure. The agreements usually entail land leases. If such an agreement cannot be reached, an expropriation process is followed, in line with the relevant legislation in Spain. At the time of the programme's appraisal by the Bank, the portion of land already secured for the programme schemes, did not entail any expropriation.

The current use of the land is mainly agricultural. Such activities can continue with the relevant safeguards in place, in the area outside the project perimeter.

Recent reports are pointing out the possibility of use of forced labour in the supply chain of solar PV panels. The promoter has an Ethics and Conduct Code rejecting the use of any form of forced or compulsory labour. This Code is applicable to all supply contracts awarded by the promoter. Selected suppliers must confirm compliance with International Labour Organisations (ILO) core labour standards. The promoter endeavours to reinforce its assessment process on supply chain sustainability, including key aspects like forced labour, by conducting relevant audits, as and when possible.

The promoter shall make reasonable efforts to assess and address the labour risks associated with the solar PV panels used in the project, including throughout the supply chain, as required by the EIB E&S Standards. As the procurement processes were on-going at the time of appraisal of the programme by the Bank, part of the due diligence on the supply chain will be concluded when the relevant contracts have been awarded. The supply chain mapping and an



Luxembourg, 12.07.2023

audit including forced labour aspects, to be conducted on a reasonable effort basis, will be set as loan conditions.

Public Consultation and Stakeholder Engagement

Public consultation was conducted by the relevant authorities in the context of the EIA process for the programme schemes. The promoter has not conducted further stakeholder engagement activities.

The promoter has established a grievance mechanism applicable to the implementation period of the project, in order to address the concerns of project stakeholders. This mechanism entails the notification of the Owner's Engineer, who is assigned with the supervision of the day-to-day works on site. The Owner's Engineer acts as the first point of contact, then reporting to the promoter on grievances.

Other Environmental and Social Aspects

The promoter has an in-house team dedicated to the E&S aspects of projects' permitting procedures. Studies that may be required for permitting processes are outsourced to relevant specialists and then reviewed internally by the promoter's team.

The promoter has several corporate policies to ensure the quality management of E&S aspects of projects, as well as an ESMS applicable to all their projects.

In conclusion, the promoter has sufficient capacity to implement the project in line with EIB's E&S requirements.

Conclusions and Recommendations

Under the following conditions, the operation is acceptable in E&S terms for the Bank's financing.

- 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 promoter undertakes not to allocate the EIB's funds to programme components that require an EIA or EIA modifications/updates until the EIA or EIA modification/update have been finalised and approved or endorsed by the relevant competent authorities.
- Electronic copies of EISs must be sent to the Bank for publication at its Public Register.
- For schemes for which the Appropriate Assessment and the relevant decision were both concluded prior to the adoption of Decree 13/2021, the promoter shall inform the EIB in the context of the Project Progress Reports, about any changes/updates to the conclusions of the Appropriate Assessment, in view of the site specific conservation objectives of the Natura 2000 sites affected by the project, as defined by the competent authority and reflected in their decision.
- The project shall comply with the applicable provisions of the relevant labour standard of the Bank, which foresees zero tolerance for the use of forced labour.



Luxembourg, 12.07.2023

- The promoter shall make reasonable efforts to carry out a 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 the respective project to be financed by the Bank. The relevant documentation will be delivered to and reviewed by the EIB prior to allocation of any funds to the respective programme scheme.