

Luxembourg, 13<sup>th</sup> August 2024

## Environmental and Social Data Sheet

### Overview

Project Name: *ERG RENEWABLE ENERGY GREEN LOAN*  
 Project Number: *2023-0992*  
 Country: *France, Italy, Germany*  
 Project Description: *The project concerns the financing of a portfolio of 269 MW of onshore wind and solar PV plants, consisting of 3 greenfield onshore wind farms in France, the repowering of three existing onshore wind farms in Italy (2) and in Germany (1), as well as the repowering of 7 solar PV plants in the south of Italy (the "Project").*

EIA required: *yes, for some sub-projects*

Project included in Carbon Footprint Exercise<sup>1</sup>: *yes*  
 (details for projects included are provided in section: "EIB Carbon Footprint Exercise")

### Environmental and Social Assessment

#### Environmental Assessment

The Project concerns the financing of a portfolio of 269 MW of onshore wind and solar PV plants, consisting of 3 greenfield onshore wind farms in France, the repowering of three existing onshore wind farms in Italy (2) and Germany (1), as well as the repowering of 7 solar PV plants in the south of Italy. The 7 solar PV plants are presented to the Bank as 1 sub-project under Promoter's portfolio called 'Siena'.

Sub-project	Region NUTS II	Technology	Repowering/revamping	Capacity (MW/MWp)	EIA required
Moulin du Bois	FRC1-Bourgogne	Onshore Wind	No (greenfield)	30.8	Yes
Pays à Part	FRE2-Picardie	Onshore Wind	No (greenfield)	18	Yes
Saint Maurice la Clouère	FRI2-Limousin	Onshore Wind	No (greenfield)	8.8	Yes
Mineo-Militello-Vizzini	ITG1-Sicilia	Onshore Wind	Yes, replacing 50MW of old wind turbines	100.8	Yes

<sup>1</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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

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Salemi-Castelvetrano	ITG1-Sicilia	Onshore Wind	Yes, replacing 26MW of old wind turbines	75.6	Yes
Siena	ITG2-Sardegna IT4-Lazio ITF4-Puglia ITF2-Molise	Solar PV	Yes, replacing 23MW of old solar PV modules	29	No
Reinsdorf	DED4-Chemnitz	Onshore Wind	Yes, replacing 3MW of old wind turbines	6.0	No
				269	

The Project comprises the plants' associated civil and electrical infrastructure where this is to be newly built. For a large part of the repowering sub-projects, some existing infrastructure can be reused by the new project onsite. At the time of appraisal, works had started at all sites.

The sub-projects are located either at brownfield sites that were already in use for renewable energy facilities, or at greenfield sites in areas of intense agricultural use. They are all in-line with relevant spatial plans and regional renewable energy development plans, as applicable.

The repowering wind farm sub-projects substantially reduce the number of wind turbines on site. The new turbines are larger, have higher distance in between, and rotate at lower speed.

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 judge whether an individual wind farm or solar PV installation requires an EIA or not, based on criteria defined in Annex III of the EIA Directive. None of the sub-projects comprise overhead transmission lines for the interconnection to the grid that fall under Annex I of the EIA Directive.

In line with national legislation, and under consideration of cumulated impacts with neighbouring installations, wind farms at five sites were screened-in and underwent an EIA process, one wind farm and the solar PV sub-project were screened-out.

#### **Sub-projects that underwent an EIA process:**

The Promoter's final EIA reports address all relevant risks (biodiversity, avifauna, noise, shadow flickering, visual impacts) through expert studies, and consider cumulated impacts with neighbouring wind farms. For repowering projects, the EIA reports' scopes also cover the decommissioning of old wind farm infrastructure (noting that the decommissioning is not part of the scope financed by the Bank). The studies conclude that the sub-projects do not have significant negative environmental impacts post mitigation and, for the repowering sub-projects, also no significant impacts when compared to the previously existing wind farms. Mitigation measures include, for some sub-projects: specific restrictions during the construction phase; presence of environmental experts during construction; planting of hedges; noise measurements post construction; temporary operation regime in low-noise mode, temporary stand-still regime at times of higher bat activity; blade ice detectors combined with automatic turbine shut down function.

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All sub-projects with EIA are located outside of Natura 2000 sites. The distances to nearest Natura 2000 sites are outlined in the table below.

Sub-project	Closest Natura 2000 sites	Minimum distance in km (ca.)
Moulin du Bois	SCI&SAC Cavités à chauves-souris en Bourgogne (FR2600975*)	0.8 km
	SCI&SAC Pelouses et forêts calcicoles des coteaux de la Cure et de l'Yonne en amont de Vincelles (FR2600974*)	5.1 km
	SCI&SAC Pelouses associées aux milieux forestiers des plateaux de Basse Bourgogne (FR2600962*)	7.9 km
	In 2018, the Natura 2000 sites marked with * and others were officially merged into: SCI&SAC Pelouses, forêts et habitats à chauves-souris du sud de la vallée de l'Yonne et de ses affluents (FR2600974).	
Pays à Part	SCI&SAC Pelouses, bois acides à neutrocalcicoles, landes nord-atlantiques du plateau d'Helfaut et système alluvial de la moyenne vallée de l'Aa (FR3100487)	13.6 km
Saint Maurice la Clouère	SCI&SAC Forêt et pelouses de Lussac-les-Châteaux (FR5400457)	17 km
Mineo-Militello-Vizzini	SPA Biviere di Lentini, Tratto del Fiume Simeto e Area antistante la Foce (ITA070029)	14 km
	SCI&SAC Bosco Pisano (ITA090022)	9.4 km
	SCI&SAC Bosco di San Pietro (ITA070005)	13 km
Salemi-Castelvetrano	SCI&SAC Montagna Grande di Salemi (ITA010023)	4.3 km
	SCI&SAC Complesso Monti di Santa Ninfa, Gibellina, e Grotta di Santa Ninfa (ITA010022)	7.7 km
	SPA Laghetti di Preola and Gorgi Tondi, Sciare di Marsala and Pantano Leone, about 12.1 km from the nearest generator of Castelvetrano (ITA010031)	12.1 km

All sites achieved their SAC status before final impact assessment studies were issued.

For all sub-projects with an EIA, potentially relevant Natura 2000 sites were identified in the EIA Reports. Where applicable, Appropriate Assessments in line with 6.3 of the Habitats Directive were conducted. The studies are integrated into the EIA Reports and assess the impact of the sub-projects on the protected habitats and species within the mentioned areas (bird and bats in particular). The studies conclude that with adequate mitigation measures in place, the sub-projects are not expected to have any adverse effects on the integrity of Natura 2000 sites, neither by itself nor in combination with other projects, which was confirmed by the corresponding competent authorities.

The permitting processes for the sub-projects Moulin du Bois, Pays à Part, and Saint Maurice la Clouère were subject to legal appeals. Individuals, as well as civil society associations,



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respectively, appealed against various aspects (incl. process, noise, visual impact, bird impact) of issued consents (permis de construire, autorisation d'exploiter au titre des Installations Classées pour la Protection de l'Environnement (ICPE), Autorisation environnementale) and related court rulings. In contrast, the ICPE permit (Moulin du Bois) and the Environmental Authorisation (Pays à Part) were initially declined by the competent authorities and the Promoter appealed against these decisions. All final court decisions were in favour of the sub-projects. Eventually, the Promoter applied for permit amendments to account for necessary minor modifications in project design of sub-projects Moulin du Bois and Saint Maurice la Clouèr respectively. The competent authorities considered the provided documentation, deemed the modifications non-substantial (and not requiring a new EIA process), and issued amended ICPE permits. The decisions were made public.

At the time of appraisal, environmental decisions for all sub-projects with EIA were issued, in force and no legal appeals were pending. The permits comprise binding mitigation measures and corresponding monitoring requirements.

#### **Sub-projects that did not undergo an EIA process:**

##### Solar PV plants Siena:

This sub-project relates to the revamping (or modernisation, extraordinary maintenance) of seven existing and fully consented solar PV plants located at 3 clusters across Italy. The revamping activities relate to the replacement of old solar PV modules, inverters, and substructures by new ones. They do not increase the areas occupied by the systems and related work. All sites are located outside of and not adjacent to Natura 2000 sites.

With reference to the Italian legislation, and in-line with corresponding technical requirements, the original environmental permits continue to be valid with no extension provided by the revamping, and such modification does not require a new consenting process as per the applicable criteria in the transposed legislation. The only pre-condition for carrying out the intervention is the submission of a Declaration of Commencement of Works (DILA) to the Municipalities where the plants are located. The DILAs have been submitted for all 7 sites. The Promoter assessed the dismantled PV modules and deemed them as not good enough for reuse in other projects. They were therefore transferred to a consortium that recycles raw materials from modules.

##### Wind farm Reinsdorf:

This is a repowering project affecting the decommissioning of two old turbines out of an existing wind farm (of eight turbines) and their replacement with one new turbine. The sub-project respects minimum distances to nearby buildings. The sub-project's distances to nearest Natura 2000 sites is outlined in the table below:

Sub-project	Closest Natura 2000 sites	Minimum distance in km (ca.)
Reinsdorf	SCI&SAC Muldetal bei Aue (DE5341303)	1.2 km
	SCI&SAC Kalkbrüche im Wildenfelser Zwischengebirge (DE5341302)	2.2 km
	SCI&SAC Crinitzer Wasser und Teiche im Kirchberger Granitgebiet (DE5340302)	3.0 km
	SCI&SAC Bachtäler südlich Zwickau (DE5340301)	3.2 km
	SCI&SAC Wildenfelser Bach und Zschockener Teiche (DE5341301)	3.7 km

The Promoter's permit application documentation comprised a study on potential environmental impacts as well as expert studies on bird, bats, and biodiversity. The studies consider



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cumulated impacts with other installations and conclude that the sub-project has no significant negative impacts post mitigation, neither by itself nor in combination with other projects. Based upon bat monitoring in the existing wind farm, an algorithm was proposed to stop operations on the new turbine at times of higher bat activity. The competent authority screened the Project out from an EIA. The consenting process included a consultation of key authorities and affected stakeholders. The competent authority confirmed that the Project has no adverse effects on the integrity of Natura 2000 sites, neither by itself nor in combination with other projects. A permit for the construction and operation of the repowering project was issued in 2022 and amended in 2023. The permit contains comprehensive mitigation and corresponding monitoring requirements. It is in force at the time of appraisal and there is no appeal pending.

#### Full project scope:

The Project 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 CO<sub>2</sub> equivalent emissions of the plants under this operation 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 France, Italy and Germany, respectively (combined margins for intermittent electricity generation), the total relative effect of the Project is a net reduction in CO<sub>2</sub> equivalent emissions by 178 kt CO<sub>2</sub>e/yr.

For the annual accounting purposes of the EIB Carbon Footprint, the project 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, ERG S.p.A. (the "Promoter"), is a corporate and therefore in scope of the PATH framework.

The counterparty is screened-out of the PATH framework (low carbon), because it is not considered high emitting.

The counterparty is screened-in to the PATH framework (resilience), because it is considered high vulnerability. The counterparty already meets the resilience requirements of the EIB PATH framework.



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## **Public Consultation and Stakeholder Engagement**

The wind farms' EIA processes included public consultation. For some sub-projects, third parties raised objections during the various public consultation processes and their concerns were considered by the competent authorities, where admissible.

The Promoter has a policy for the management of dialogue with shareholders and other stakeholders in place. In-line with this policy, it applies a pro-active communication and stakeholder engagement approach throughout project life.

## **Other Environmental and Social Aspects**

The Promoter is a leading independent operator of clean energy from renewable sources, operating in nine countries at European level.

Since the end of 2022, the Promoter can rely on Environmental certification under ISO 14001, Health and Safety certification under ISO 45001, and ISO 9001 covering the majority of its installed base and people.

All the companies operating at the Promoter's sites, whether contractors or subcontractors, must comply with the Promoter's Health, Safety and Environmental requirements and Human Rights requirements which are a binding requirement for the award of contracts of any nature and amount.

The Promoter has submitted detailed plans, as part of the wind repowering sub-projects' permit applications, which describe the projected decommissioning processes. The plans specify, where applicable, which equipment and construction material is to be reused locally or sold to third parties for recycling or reuse purpose.

Recent reports are pointing out the possibility of use of forced labour in the supply chain of solar PV panels. The Promoter has used its reasonable efforts to assess and address the labour risks associated with the supply of the PV panels finally selected for the Project, including throughout the supply chain, as required by the EIB E&S Standards and as described in the next paragraph.

The solar module supplier for sub-project "Siena" selected by the Promoter is a reputable supplier. The supplier was required to sign up to the Promoter's Code of Ethics and Supplier Code of Conduct, respectively, which explicitly require them and their sub-suppliers to abstain from any form of forced labour. The module supplier in its public Sustainability Reporting claims to eliminate all forms of forced labour through its systems and procedures in place. The Promoter requested and received supplier's information about the supply chain of the sub-project's modules. The supplier confirmed that the supply chain does not involve factories located in regions that are known to be at high risk of forced labour. In case of changes in the supply chain of the solar module supplier, the Promoter shall continue its reasonable efforts to assess and address the labour risks associated with the supply of the PV panels. The Promoter shall report to the EIB about the results of the monitoring activity as part of its regular reporting requirements.



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## Conclusions and Recommendations

The project is deemed acceptable for Bank financing under environmental and social aspects, subject to the below loan condition:

- The Promoter undertakes to comply with the applicable provisions of the labour standard of the Bank, which foresees zero tolerance for the use of forced labour.