

Luxembourg, 15.07.2024

Environmental and Social Data Sheet

Overview

Project Name: *LA MARQUESA SPANISH SOLAR PV GREEN LOAN*
 Project Number: *2023-0590*
 Country: *Spain*
 Project Description: *Financing of the construction and operation of solar photovoltaic power plants of c. 387 MW across 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

Environmental Assessment

The Project is a multi-scheme investment programme and consists of the construction and operation of 9 solar photovoltaic plants, for a total capacity of c. 387 MWp, located in the Spanish regions of Castilla y León, Aragon, Castilla-La Mancha, Comunidad Valenciana and Andalucía. The plants located Castilla-La Mancha and Comunidad Valenciana are organised in a cluster of 5 PV plants for a total capacity of c. 202MWp. The project scope includes the associated infrastructure, such as substations, and grid interconnections.

All the PV plants and their relative ancillary infrastructures fall under Annex II of the Environmental Impact Assessment (EIA) Directive (Directive 2014/52/EU amending the EIA Directive 2011/92/EU) and have been screened in by the competent authority. All plants and associated infrastructure underwent an EIA process (either ordinary or simplified according to the current national legislation), including public consultation. The competent authorities considered all the comments presented during this process, in line with the relevant legal framework. The Environmental Impact Studies (EIS), in terms of the impact assessment methodology, desk studies and field work conducted, are considered to be acceptable. Environmental permits have been issued ("Declaración de Impacto Ambiental" - DIA) between November 2022 and January 2023.

In the EIAs potential environmental impacts have been analysed during the different phases of the PV plants (construction, operation and decommissioning). Potential negative impacts on the environment (air, water, soil), flora and fauna, cultural heritage, protected areas, landscape and socio-economic environment have been assessed, taking into account also the cumulative impacts together with nearby infrastructure and/or neighbouring plants. The assessments were carried out specifically for each project, reporting impacts common to all projects. During the construction phase, the main potential impacts are associated with earth works and removal of the vegetation cover, such as destruction of habitats, fatalities of species, soil erosion, GHG emission increase, dust and noise due to construction-related activities,

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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deterioration of ground and surface water quality or visual impact. Main potential impacts expected during the operation of the PV plants are related to the fragmentation of habitats, reduction of feeding and hunting grounds, collision and electrocution of birds or bats by the transmission lines, and visual impact.

The EIA studies propose preventive, corrective and compensatory measures to prevent, eliminate, minimise or compensate these negative impacts. Specific mitigation measures required to be implemented during construction and operation phases, vary per PV plant, but overall include:

- Minimisation/avoidance of dust, GHG and noise emission.
- Waste management, including collection and treatment of wastewater.
- Protection of fauna and implementation of fauna monitoring programmes for fauna preservation.
- In relation to the risk of collision for the transmission lines, enhanced visibility marks of power transformers and overhead lines to reduce avifauna and bat collision risk in line with law provision; and burial of sections of the overhead electrical lines.
- Layout adjustments of plant and evacuation line components to reduce impacts.
- Maintenance/restoration of existing roads and infrastructure, wherever possible.
- Use of specific fences to guarantee fauna permeability, mitigating barrier effects.
- Protection of the Historical and Archaeological Heritage.
- Implementation of restoration and revegetation plans.
- Soil protection and Landscape integration plans.
- Fire prevention: Compliance with fire prevention regulations.

Following the implementation of these measures, most of the residual impacts are assessed as negligible or minor.

Details on the key biodiversity assessment, impacts and mitigation measures are listed in the paragraphs below:

Malaga:

The Malaga PV plant (32MWp) and its interconnection infrastructure are located in the province of Malaga (region of Andalucia), in the municipalities of Antequera. The project will occupy ca. 40 ha.

The EIA and the EIS point out some Natura 2000 sites, Zonas de Especial Protección para las Aves (ZEPA) and Zonas Especiales de Conservación (ZEC) close to the project. In particular, the ZEC “Sierra de Camarolos” (ES6170012) surrounds the left side of the plant but with no direct overlap with the protected area. With all the mitigation and compensation measures in place, the EIA and the EIS do not foresee direct/indirect impacts on Natura 2000 or other protected areas.

Burgos II:

The Burgos II PV plant (66.4MWp) and its interconnection infrastructure are located in the province of Burgos (region of Castilla y Leon), in the municipalities of Belorado, Carria, Valle de Oca, Alcorero de Mola. The project will occupy ca. 206 ha.

The EIA and the EIS point out some Natura 2000 sites, Zonas de Especial Protección para las Aves (ZEPA) and Zonas Especiales de Conservación (ZEC) close to the project or directly affected by the project; in particular, ZEC “Riberas del Río Oca y afluentes” (ES120073) and ZEC “Riberas del rio Tiron y afluentes” (ES4120075) which are close to the evacuation line (around 100 meters) but without a direct overlap. With all the corrective and mitigation measure in place, the EIA and the EIS do not foresee direct/indirect impacts on Natura 2000 or other protected areas.

Sarda and Bargas cluster

The Sarda and Bargas Solar PV plants (36.4MWp and 54MWp for a total of 90.3MWp) and their interconnection infrastructure are located in the province of Zaragoza (region of Aragón), in the municipalities of Pozuelo de Aragón and Pedrola (Ribera Alta del Ebro). The plants are adjacent to each other forming the cluster of Sarda-Bargas. The projects will occupy ca. 210 ha together.



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The EIA and the EIS point out some Natura 2000 sites, Zonas de Especial Protección para las Aves (ZEPA) and Zonas Especiales de Conservación (ZEC) close to the project (c. 3km North of the PV plants) or directly affected by the project. In particular, a section of the evacuation line crosses the ZEPA “Monte Alto y Siete Cabezos” (ES2430086) for c. 4km, mostly affecting agricultural lands with a marginal impact to existing HICs (Habitats of Community Interest). The evacuation line will be buried underground. With all the corrective and mitigation measures in place, the EIA and the EIS do not foresee direct/indirect impacts on Natura 2000 or other protected areas.

Ayora

The Ayora Solar PV cluster (5 PV plant for a total capacity of c. 202MWp) and its interconnection infrastructure are located in the province of Albacete (Castilla-La Mancha) and Valencia (Comunidad Valenciana), in the municipalities of Almansa and Ayora. The project will occupy ca. 600 ha.

The EIA and the EIS point out some Natura 2000 sites, Zonas de Especial Protección para las Aves (ZEPA) and Zonas Especiales de Conservación (ZEC) close to the project (c. 1.5 km closest distance) or directly affected by the project. In particular, a section of the evacuation line crosses the ZEPA “Meca-Mugrón-San Benito” (ES0000452). In this regard, the project has been modified in order to reduce the impact on the protected area through both the displacement of the aerial section of the evacuation line outside the ZEC and the burying of c. 2km line, which remains inside the ZEC. With all the corrective and mitigation measures in place, the EIA and the EIS do not foresee direct/indirect impacts on Natura 2000 or other protected areas.

Climate Assessment

The project is expected to contribute to climate change mitigation and pollution prevention and control. 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. The EIA reports include a Climate Vulnerability Assessment based on the projects’ preliminary design, with no significant vulnerability identified for any of the PV plants. Residual risks from physical climate hazards are deemed low.

EIB Carbon Footprint Exercise

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 generation), the total relative effect of the project is a net reduction in CO2 equivalent emissions of ca. 230 kt CO2-eq/yr.

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

Social Assessment, where applicable

The Promoter has engaged with the landowners and, for the vast majority of the plots, has reached voluntary agreements for the Project infrastructures in the form of leases and/or surface rights or rights of way. For the pieces of land where a voluntary agreement cannot be reached, the Promoter intends to require expropriation, in line with Spanish legislation. In Spain, all projects required for the implementation of different activities within the electric sector, including generation, promoted by public or private companies, are considered public utility, and are subject to urgent forced expropriation to be carried out by the authority in the interest of the Promoters. The Bank will request the Promoter to provide confirmation that all land rights have been successfully secured, together with all legal rights for the installation of all project components.

Recent reports are pointing out the possibility of the use of forced labour in the supply chain of solar PV panels. The EIB will ensure that the promoter has a Human Rights Policy and a Code of Ethics in place, rejecting the use of any form of forced or compulsory labour, applicable inter alia to the supply chain of

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the underlined solar PV projects, in compliance with the applicable provisions of the relevant E&S standards of the Bank (including Standard 8 - Labour - of EIB E&S Standards). For this purpose, the Promoter undertakes to perform supply chain due diligence to mitigate the risk of forced labour in the PV supply chain of the projects. As part of this due diligence, the Promoter shall aim to obtain a mapping of the supply chain of the PV module manufacturers reaching the level of silicon/polysilicon suppliers. In any case, the Promoter shall obtain signed declarations by the PV module manufacturers concerning the origin of the components used in the PV modules. The Promoter shall pass down to its suppliers the requirement to avoid forced labour.

Public Consultation and Stakeholder Engagement

For all projects, public consultations were carried out as part of the EIA process as required by EU, national and regional legislation. Lists of consulted stakeholders are attached to the DIAs, including local and regional authorities concerned, NGOs and the public. Comments and objections have been considered in the DIA. The Promoter has not developed further stakeholder engagement activities.

Other Environmental and Social Aspects

The environmental capacity of the Promoter is deemed to be adequate. It has the experience and the capacity to appropriately manage this project.

Conclusions and Recommendations

The Bank has reviewed the environmental and social capacity of the Promoter, including its organisation, processes and procedures, and considers 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 the Bank's financing:

Undertakings

- The Promoter shall publish the related EIA studies on its website or provide a website link to the location where the EIA study is published.
- The Promoter will have to demonstrate that the measures foreseen in the EISs and the permits, including measures to avoid, reduce and mitigate the impact, as well as monitoring indicators, were put in place during the construction and operational phases.
- The Promoter will undertake to provide a full and updated plan for the mitigation and corrective measures with relative budget.
- The Promoter shall provide the Bank with a quarterly reporting, additional to the regular reporting obligations, regarding the activities on those protected areas affected by the evacuation infrastructures.
- The Promoter shall give evidence of favourable and positive relevant permits for each plant, including its associated evacuation infrastructure.
- The Promoter undertakes to have an ESMS in place, including a Human Rights Policy and a Code of Ethics, rejecting the use of any form of forced or compulsory labour, applicable inter alia to the supply chain of the underlying solar PV projects, in compliance with the applicable provisions of the relevant E&S standards of the Bank (including Standard 8 - Labour - of EIB E&S Standards).
- For this purpose, the promoter undertakes to perform supply chain due diligence to mitigate the risk of forced labour in the PV supply chain of the projects. As part of this due diligence, the Promoter shall aim to obtain a mapping of the supply chain of the PV module manufacturers reaching the level of silicon/polysilicon suppliers. In any case, the Promoter shall obtain signed declarations by the PV module manufacturers concerning the origin of the components used in the PV modules. The Promoter shall pass down to their suppliers the requirement to avoid forced labour.

Under these conditions, the operation is acceptable in E&S terms.