

Luxembourg, 16.01.2025

Environmental and Social Data Sheet

Overview

Project Name: SANTANDER FL FOR CLIMATE
 Project Number: 2024-0372
 Country: Italy – Spain - EU countries
 Project Description: Framework Loan to support Santander in the financing of Renewable Energy projects in Italy, Spain and the European Union.

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 proposed operation is a Framework Loan (FL) to Santander as Financial Intermediary (the “FI”). The loan is for an amount of up to EUR 500m to finance renewable energy projects in Italy, Spain and EU countries. The renewable energy schemes are expected to focus on mid-sized PV and onshore wind projects. The project is in line with the Bank’s priority lending objectives for renewable energy (RE) and supports the Climate Action objective (100%).

For all schemes included under this operation, the FI applies a comprehensive ESG policy, including reporting and monitoring, making available to the public annual reporting on sustainable activities. The capacity of the FI to carry out environmental and social assessment of projects in line with the Bank’s requirements and national legislation has been appraised and is deemed satisfactory.

Most of the individual schemes to be financed are likely to have limited negative environmental impacts and cause temporary inconvenience due to construction works (dust, noise), which is expected to be mitigated appropriately.

Due to their technical characteristics, some of the renewable energy investments are expected to fall under Annex II of Directive 2011/92/EU as amended by EIA Directive 2014/52/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 case an EIA is required, the Bank will require the Financial Intermediary (FI) to store and keep updated any documents that may be relevant for the project (including EIA screening decisions, environmental studies, environmental monitoring reports or equivalent documents) supporting the compliance with the EIA Directive and national environmental regulations, and to promptly deliver such documents to the Bank upon request.

The FI, which is known to the EIB from previous operations, will be required to ensure the compliance of all schemes with relevant EU Directives as transposed into national legislation. The FI will be required to verify that none of the schemes has a significant adverse impact on any site forming part of the EU Natura 2000 network (falling under Habitats Directive 92/43/EEC or Birds Directive 2009/147/EC). Schemes with significant negative impacts on areas with high

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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biodiversity value, nature conservation areas, including bird migration routes, shall not be eligible.

EIB Paris Alignment for Counterparties (PATH) Framework

Santander is in scope of the PATH framework and screened in for the low carbon aspects of PATH. Santander's non-financial report is in line with TCFD recommendations. On this basis, Santander meets the PATH requirements. No additional contractual undertakings will be required.

Social Assessment, where applicable

Regarding the solar PV projects, the FI will be required to undertake reasonable efforts in case of concern to mitigate against the risk of forced labour in the solar PV supply chain. This will include enhanced due diligence where practically achievable and ensuring that relevant obligations are passed on in supplier contracts.

Conclusions and Recommendations

The FI is considered to have the expertise and the capabilities to verify the environmental procedures carried out for individual schemes, appropriately addressing environmental issues and ensuring that the schemes to be part-financed under this framework loan comply with national and EU legislation.

If a scheme falls under Annex I or Annex II of the EIA Directive, the FI shall ensure that the sub-project's promoters comply with the provisions of the EIA Directive as transposed into national law. When relevant, the FI shall deliver to the Bank the EIA report and other relevant environmental documents. For each scheme that may have an impact on a nature conservation site, the Financial Intermediary shall obtain confirmation from the competent nature conservation authority, or an equivalent assessment satisfactory to the Bank, that the scheme does not have a significant negative impact on any site of nature conservation importance.

The FI will be required to undertake, on a best effort basis, to perform enhanced due diligence of the supply chain of the solar PV module manufacturers (supply chain mapping of the solar PV module manufacturers reaching the level of silicon/polysilicon suppliers and/or declarations by the PV module manufacturers concerning the origin of the components used in the PV modules, per sub-project), also guided by the FI's human rights commitment, and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub-projects.

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