

## Environmental and Social Data Sheet

### Overview

Project Name:	LBBW ENERGY & INNOVATION FL
Project Number:	2024-0647
Country:	Germany, Austria and Regional EU
Project Description:	Framework Loan to Landesbank Baden-Württemberg (LBBW) to contribute towards about 80% renewable energy (solar PV, onshore wind and battery energy storage) and energy efficiency projects, about 10% towards electric vehicle charging infrastructure and about 10% towards innovation and digitalisation through loans to SMEs and Mid-Caps.
E&S Risk categorisation	Medium
Project included in Carbon Footprint Exercise <sup>1</sup> :	No

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

### Environmental and Social Assessment

#### Environmental Assessment

The operation concerns a Framework Loan (FL) to a Financial Intermediary (FI), Landesbank Baden-Württemberg (LBBW), to support sustainable energy and innovation projects in Germany, Austria and other regional EU countries. These primarily include solar photovoltaic, onshore wind and battery energy storage systems, and secondary sectors include energy efficiency in industry and electric vehicle charging points. The operation also concerns a small component supporting innovative small to medium sized companies (SME's and Midcaps).

The FI has already satisfactorily complied with the Bank's Environmental and Social Standards (ESS) in the past, given its involvement in previous operations for similar sector activities. The operation will contribute to EU energy objectives by supporting investments in new renewable energy generation capacity. The investments will generate environmental benefits in terms of reduction of air pollutants and GHG emissions, ultimately helping to mitigate climate change. The FI will be contractually obliged to ensure that all investments comply with the relevant EU Environmental Directives (e.g. EIA Directive 2014/52/EU amending Directive 2011/92/EU, Habitats Directive 92/43/EEC and Birds Directive 2009/147/EC amending Directive 79/409/EEC) and the EIB's Environmental and Social Standards (where applicable). 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 EIA is required. Most of the individual schemes to be financed are likely to have limited negative environmental impacts which are expected to be mitigated appropriately. For projects that require an EIA, the Bank will require the FI to store and keep updated any documents that may be relevant for the project (including EIA screening decisions,

<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.

environmental studies, environmental monitoring reports or equivalent documents) supporting the compliance with the EIA Directive and national environmental regulations. The Financial Intermediary shall upon request promptly deliver such documents to the Bank.

Should any scheme have a potentially significant negative impact on an area forming part of the EU Natura 2000 network (falling under Habitats Directive 92/43/EEC or Birds Directive 2009/147/EC), the FI will be required to verify that none of the schemes has a significant adverse impact on any of these sites of nature conservation importance. Written confirmation from the competent nature conservation authority, or an equivalent confirmation satisfactory to the Bank that the mentioned scheme does not have a significant negative impact on any site of nature conservation importance should be presented, as a condition of disbursement. Schemes with significant negative impacts on areas with high biodiversity value, nature conservation areas, including bird migration routes, shall not be eligible.

### **EIB Paris Alignment for Counterparties (PATH) Framework**

The counterparty is a FI in-scope and screened into the PATH framework. As required in the framework, the counterparty, as of 2024, already discloses climate-related matters through CSRD/TCFD reporting in its non-financial reports. Therefore, the FI already meets the requirements of the EIB PATH framework.

### **Social Assessment, where applicable**

The FI has an ESG policy and E&S systems in place, which include a Human Rights Policy and a Code of Ethics, rejecting the use of any form of forced or compulsory labour, applicable to the supply chain of solar PV projects, in compliance with the applicable provisions of the relevant EIB Environmental & Social Standards (including Standard 8 - Labour).

The FI will be required to undertake, on a best effort basis, enhanced due diligence (supply chain mapping of the 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 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.

### **Public Consultation and Stakeholder Engagement**

As required by EU Member States' laws and regulations, the FI shall ensure that a consultation process with relevant stakeholders takes place and that an appropriate grievance mechanism is in place, including the development of a communication mechanism with external stakeholders as part of the Grievance Redress Mechanism for the underlying investments.

For projects subject to an EIA as defined by national legislation, the FI shall ensure that an E&S assessment is carried out and that public consultation is undertaken in accordance with national legislation and the EIA Directive.

### **Other Environmental and Social Aspects**

The FI has a comprehensive ESG policy and a sustainability practice handbook. There are policies and procedures in place to assess environmental and social (E&S) risks in the operations which it finances. The FI assesses and reviews EIA documents and studies, as well as monitors E&S matters during implementation. The FI has demonstrated good compliance with the Bank's E&S requirements through previous operations and the Bank deems the FI to have adequate capacity to ensure compliance with the Bank's E&S requirements.

## Conclusions and Recommendations

The investments targeted by the operation are expected to have limited social and environmental impacts, provided that all mitigation measures are implemented. The FI's E&S policies and internal capacity are considered adequate and commensurate with the E&S risk of the underlying projects. The following loan undertakings will be included in the legal documentation:

- For projects eligible for EIB financing the FI shall require that they be implemented in line with the applicable national and EU legislation.
- If a scheme falls under Annex I or Annex II of the EIA Directive, the FI shall ensure that the 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.
- The FI will be required to undertake, on a reasonable effort basis, enhanced due diligence (supply chain mapping of the 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 project) also guided by the FI's human rights commitment, and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the projects.

Under these conditions, the operation is considered satisfactory from an environmental and social compliance perspective.