

Luxembourg, 26 June 2025

Environmental and Social Data Sheet

Overview

Project Name:	ENDESA GRID MODERNISATION AND RESILIENCE
Project Number:	2025-0032
Country:	Spain
Project Description:	Investments to modernise, digitalise and reinforce Endesa's electricity distribution network throughout Spain during the 2025-2027 period. The project may include adaptation to climate change as well as integration of cybersecurity components.
EIA required:	no
(Project included in Carbon Footprint Exercise ¹ :	yes
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

The Project is an investment programme (the "Project") for the reinforcement and modernization of the electricity distribution networks in 8 Spanish regions during the period 2025-2027. The Project concerns new and refurbished assets in the Promoter's networks such as: HV/MV/LV lines, improvement of primary substations, transformers, substations connections and includes network automation investments. The Project also includes the installation of approx. 2.400.000 "2G" smart meters. The Project will enable the promoter to improve quality of service, to cater for demand growth and connect new users.

Environmental Assessment

The Programme includes schemes relevant to electricity distribution network with voltage levels up to 132 kV.

Some of these schemes may fall under Annex II of the EIA Directive 2011/92/EU, amended by directive 2014/52/EU, which requires the competent national authority to determine the need for an Environmental Impact Assessment.

In Spain Law 9/2018 as amended by Royal Decree 445/2023 requires an EIA for lines higher than 220 kV and length greater than 15 km.

Overall, the environmental impacts of the Project are expected to be minor and related mainly to noise, vibration, dust, and traffic disruption during the construction, and electromagnetic fields (EMF) and nuisance during operation. Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. Particular attention will be paid to contain the effect of noise, vibrations and traffic disruption during the construction works.

Typical mitigation measures include special construction procedures to minimize damages, construction of facilities to contain oil leaking from transformers, special waste collection procedures and other. Regarding cultural heritage, excavation works will be carried according to national legislation when applicable (Ley Patrimonio Historico 16/1985) and any additional regional requirements.

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, 26 June 2025

Physical climate change risks relevant to the area of installation of the project schemes are mitigated in the design stage, by adapting - as necessary - the design or the location of the equipment.

The operation has been assessed for its Paris alignment. It is considered to be aligned for low carbon and resilience, in line with the policies set out in the Climate Bank Roadmap and with the EIB's Energy Lending Policy.

The environmental and social due diligence focussed on the Promoter's capacity and capability to implement the Project in line with EIB environmental and social standards and requirements. The environmental capacity of the Promoter is deemed to be good; it has the experience and the capacity to appropriately manage the investment Project.

EIB Carbon Footprint Exercise

The source of CO₂ equivalent (CO₂e) emissions for the programme is the ohmic losses associated with new or refurbished network equipment. At Project completion, the corresponding absolute emissions are estimated to be 7 kt CO₂e per year. These absolute emissions are offset by the reduction in network losses enabled by the programme in comparison to the do-nothing alternative. Therefore, at completion, the programme is expected to enable a saving of circa -43 kt CO₂e per year.

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

ENDESA is in scope under the PATH. The counterparty is screened-in as more than 20% of annual consolidated revenues come from high-emitting sectors, and screened-out for climate vulnerability. The parent company, Enel, has set itself the objective of reaching the decarbonisation of its energy mix by 2050, including reaching net zero emissions along the value chain. Their decarbonisation plan is publicly available as part of their Sustainability Report. The counterparty is deemed to meet the requirements of the PATH framework.

Social Assessment, where applicable

The Project, from the information received, does not entail physical resettlement and allows the improvement of quality of service to users (SAIDI and SAIFI), improvement of operating conditions and the connection of a distributed generation from renewables.

The Endesa SA policies covering Diversity and Inclusion issues are: Code of Ethics, Anti Bribery prevention, Defence of People's Rights and Human Rights. With programmes such as: Women Mentoring and Take the Lead, where the Promoter is committed to the empowerment of female staff and with Orienta-T project where the aim is to promote technological careers among the younger women.

The installation of the smart meters is not expected to create acceptance problems in the users as they replace first generation smart meters with more modern second generation one.

Public Consultation and Stakeholder Engagement

The Promoter was expected to comply with national and European environmental legislation, notably to facilitate public access to environmental information and guarantee public consultation during the environmental decision process, where relevant.

Other Environmental and Social Aspects



Luxembourg, 26 June 2025

Regarding environmental aspects, Endesa SA have several certifications such as: ISO 9001 (Quality Management Standards), ISO 14001 (Environmental Management Standards), ISO 45001 (Occupational Health and Safety Standards) and ISO 50001 (to reduce their energy costs, improve energy efficiency, and reduce greenhouse gas emissions). The Promoter is experienced and has the capacity to mitigate the impacts to an acceptable level through its Environmental Protection Management programme.

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the promoter including its organisation, process and procedures and deemed them to be good. Based on the information available, and with appropriate conditions (see below) and monitoring, the programme is expected to be acceptable in environmental and social terms for Bank financing:

- The promoter undertakes not to allocate the Bank's funds to programme schemes that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised to the Bank's satisfaction and, including public consultations, and approved by the competent authority. When the EIA is made available to the public, an electronic copy of the full EIA study shall be sent to the Bank.
- The promoter undertakes to send to the EIB copies of all EIA screening decisions (if any) concerning the programme schemes issued by the competent authority for nature and environment.
- The promoter undertakes to take into account and implement conditions expressed in any screening-out decision or EIA consent granted by the competent authority for nature and environment.
- to ensure that potential impacts to sites of nature conservation will be identified (for all program schemes) and should they be likely to be significant, the promoter undertakes to engage with the relevant authority and implement the procedures under Articles 6(3) and (4) of the Habitats Directive.
- The promoter undertakes to store and keep updated any documents that may be relevant for the programme and which support the compliance with the provision under the EU Habitats and Birds Directives and shall, upon request, promptly deliver such documents to the Bank.
- The promoter undertakes not to allocate the funds to investments in electricity distribution assets consisting in the direct connection of electricity generation assets that operate at life-cycle emissions higher than 100g CO₂e/kWh.
- The promoter undertakes not to engage in Incompatible Activities in accordance with the PATH framework.

The project benefits from financing under the Recovery and Resiliency Fund (RRF) and is expected to ensure that it does no significant harm to any of the six environmental objectives within the meaning of the art. 17 of the Taxonomy Regulation (EU) 2020/852 (the principle of "do no significant harm" (DNSH)). Based on the information provided by the Promoter, a DNSH assessment was carried out for all six environmental objectives, and it was concluded that, due to the location and the type of investments, the project does not have significant foreseeable impact on any of the six environmental objectives. Overall, the project complies with the DNSH principle by satisfying the conditions stipulated in the Council Implementing Decision Annex on the approval of the assessment of the recovery and resilience plan for Spain.