

Environmental and Social Data Sheet

Overview

Project Name: CO-INVESTMENT TAALERI WIND LATVIA
 Project Number: 2025-0722
 Country: Latvia
 Project Description: Co-investment alongside the fund Taaleri SolarWind III into a 112 MW wind farm project in northeast Latvia.

E&S Risk categorisation High

Project included in Carbon Footprint Exercise¹: Yes

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

Environmental and Social Assessment

The project requires an EIA and is thus categorised as High risk as per the definitions in paragraph 4.18 of the E&S Policy.

Environmental Assessment

The project consists of the installation and operation of the Augstkalni 112 MW onshore wind park in Latvia (the "Project"). It is a co-investment with the fund Taaleri SolarWind III (the "Fund"), in which the EIF is an investor. The Project is located in the Smiltene municipality, Vidzeme region, northeast Latvia. The project scope includes 16 WTGs (Wind Turbine Generators) and the associated infrastructure for the interconnection of the wind park to the electricity grid. The project will be connected to the national grid through the newly built Launkaine substation located at the wind farm site, which will be connected to the existing Smiltene-Jaunpiebalga 110 kV TSO AST overhead line.

Wind farms fall under Annex II of the EIA Directive (2011/92/EU as amended by Directive 2014/52/EU), requiring the competent authorities to determine whether an Environmental Impact Assessment (EIA) process is required. The project was screened in and was subject to public consultation, which took place between May 2022 and February 2023 (see Public Consultation and Stakeholder Engagement section). It received approval on October 2023 (EIA approval No. 5-04/10/2023). For the EIA to be valid, approval from the local municipality where the wind farm will be built is required in Latvia. The Smiltene region municipality reviewed and approved the EIA on 23 November 2023 (Council decision No. 528).

The EIA study covered inter alia impacts on biodiversity, birds and bats, as well as visual, noise and cumulative impacts. The EIA concluded that the main residual environmental impacts were minor and localised, relating to noise, visual changes, and limited effects on certain habitats and species, with no significant adverse effects expected if all mitigation and monitoring measures were implemented. Design changes were integrated into the park to protect biodiversity, including species such as the birch longhorn beetle, mosses, lichens, fungi, the dusky large blue butterfly, and orchids.

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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The proposed wind park area does not contain any micro-reserves designated for bird protection. A survey of birds and bats was carried out from late 2020 through 2021, covering all major activity periods. Two protected bird species were observed on the site: the osprey (*Pandion haliaetus*) and the lesser spotted eagle (*Clanga pomarina*). Their numbers in the area are low, but both species have nested locally in previous years, and nests have been documented. During design phase, the wind turbine locations were adjusted to avoid placing them within buffer zones of known nesting territories. All forest clearing for turbine foundations and access roads must be carried out outside the raptor breeding season. To the extent possible, construction work (including the placement of materials, movement of equipment, etc.) shall avoid protected habitat areas and protected species' habitats. Furthermore, all WTGs must be fitted with devices for automatic bird flight detection, recognition of flying birds and automatic shutdown when protected species are identified. Monitoring of bird populations must be ensured during all project stages (before the start of the wind farm construction process, during construction, and during the operation of the wind farm). Lastly, the promoter is also required to install, maintain and monitor nesting boxes for the Eurasian Pygmy owl (*Glaucidium passerinum*) and Ural owl (*Strix uralensis*) on the periphery of the planned wind farm.

To protect bats, turbine operations near sensitive habitats must be limited during peak activity periods. Monitoring will be carried out in the early years of operation, and the Nature Protection Agency may require further measures if needed.

The Augstkalni wind park is located within several kilometres of two Natura 2000 nature reserves. Environmental assessments concluded that the project is not expected to have significant impacts on these protected areas. The Augstkalni wind park project will deliver environmental benefits by reducing greenhouse gas emissions through the replacement of fossil fuel-based electricity with clean wind energy. In doing so, it supports both Latvia's and the EU's climate and renewable energy targets. The project generates no air or water pollution during operation, has a limited and reversible land footprint, and allows most of the site to remain available for agriculture or forestry. Overall, it contributes to advancing the sustainable energy transition in the region.

Climate Assessment

The project has been assessed for Paris alignment and is considered to be aligned both against low carbon and resilience goals and against the policies set out in the Climate Bank Roadmap and the Bank's Energy Lending Policy. Residual risks from physical climate hazards are deemed low.

EIB Carbon Footprint Exercise

There are no direct emissions related to renewable wind energy generation.

The estimated emission savings compared to the generation replaced by the power plant are 58 800 tonnes of CO₂ equivalent per year, following the Bank's standard methodology.

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

EIB Paris Alignment for Counterparties (PATH) Framework

The project will be implemented by a Special Purpose Vehicle, owned by Taaleri SolarWind III and other co-investors. The Fund Manager Taaleri is in scope of and screened into the PATH framework, because it has assets under management exceeding EUR 500m. Given that the Fund Manager has been reporting in line with TCFD recommendations since 2022, it meets the requirements of the EIBG PATH framework.

Social Assessment

The EIA identifies several positive social impacts arising from the Project, including local investment, job creation, and infrastructure improvements such as new roads and utility



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upgrades. Negative impacts include potential disruption during construction, visual impacts, and possible decreases in property values and tourism appeal. To mitigate these, the project will provide annual compensation to the municipality, with half of the funds directed to residents living near the wind farm. Turbines will also be programmed to shut down during periods when shadow flicker could affect nearby homes.

For safety, all wind turbines are equipped with de-icing and ice detection systems as ice formation on blades can create risks in winter. If ice is detected, the turbine will either shut down or operate in a special mode until conditions are safe. For turbines located close to roads, additional requirements include automatic rotor positioning during shutdowns to reduce the risk of ice falling onto traffic routes.

The land used for the turbines is privately owned and secured through long-term lease agreements. Previously used mainly for forestry, this land will now provide landowners with a stable income from leasing arrangements.

Finally, the Fund Manager will ensure open communication and apply noise and dust controls, carefully plan turbine siting to reduce visual impact, and monitor social effects. A grievance mechanism will be in place to address concerns and adapt measures as needed.

Public Consultation and Stakeholder Engagement

The public consultation process was broad and was carried out in several stages. It included an online survey, public meetings, and working groups, ensuring that residents, landowners, and local authorities could share their views. Information was widely shared through local media and websites, and feedback on issues such as landscape, noise, biodiversity, and community benefits was incorporated into the final EIA.

Other Environmental and Social Aspects

The Fund's team is deemed to have sufficient E&S capacity to implement the project. It has a solid organisational structure, which includes a diverse group of professionals managing the technical, environmental, safety, health and social issues of the project. The team is complemented by external professionals, who have been hired for the due diligence, construction and operation monitoring stages. The Fund has developed an Environmental and Social Management System (ESMS) including an ESG policy, which provides management and staff with an objective method of establishing and maintaining good working practices. The ESMS, inter alia, describes the approach to identifying and managing E&S risks within investment and portfolio management processes and defines roles and responsibilities.

Conclusions and Recommendations

The Project is expected to have limited residual social and environmental impact, provided that all relevant mitigation measures are implemented. Following the review of the project due diligence carried out, and given the project's compliance with the requirements under national and EU E&S law, the operation is considered acceptable for Bank financing from a social and environmental point of view.

The Fund shall provide the EIB with annual reporting on project related E&S aspects.