

Environmental and Social Data Sheet

Overview

Project Name:	<i>IM2 SOLAR DEVELOPER FINANCE</i>
Project Number:	<i>2019-0139</i>
Country:	<i>Spain</i>
Project Description:	<i>Solar energy quasi-equity operation focused on Spain</i>
EIA required:	yes (for some of the investments)
Project included in Carbon Footprint Exercise ¹ :	yes

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

Environmental and Social Assessment

Environmental Assessment

The operation refers to a quasi-equity investment in NewCo holding company, a newly created solar energy independent power producer, funded by the investment loan provided by the Bank and with equity provided by im2 Energia Solar SL (the "Promoter" or "im2").

The investments will take place in Spain, in mature renewable energy technologies, specifically, solar PV.

The NewCo manager will be required to ensure compliance of the investments with the EIB Environmental & Social (E&S) Standards and core E&S requirements as well as the E&S national laws and regulations transposing the sector related E&S directives. On a semi-annual basis, the NewCo manager is requested to prepare and submit to the Bank an aggregated E&S performance report.

Considering its sectorial focus (solar photovoltaics) and its identified geography (Spain), the manager's E&S due diligence analysis is primarily focussed on ensuring full compliance with national law, EU directives and good industry practice.

The mitigation of key risks and impacts derives from the NewCo's capacity to identify and manage the potential environmental and social risks and impacts associated with the projects in the pipeline and to maintain and operate an appropriate environmental and social management system. The promoter has experience applying the E&S requirements required by national law, but they have to formalise their policy and procedures in a suitable Environmental Social Management System and appoint or recruit an adequate E&S Manager and staff to ensure delivery of the objectives of their E&S policies and procedures.

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Luxembourg, 14.11.2019

EIB Carbon Footprint Exercise

The direct CO₂ equivalent emissions of the intended project pipeline are negligible. 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, the total relative effect of the project is a net reduction in CO₂ equivalent emissions by 166kt CO₂e/yr. 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 the project cost.

Conclusions and Recommendations

The NewCo and im2 as Promoter are required to build an Environmental Social Management System (ESMS), which will incorporate EIB's environmental and social requirements to the satisfaction of the Bank, including the development of a communication mechanism for external stakeholders as part of its Grievance Redress Mechanism.

In order to strengthen the coordination and accountability aspects the NewCo and im2 as Promoter are required to appoint an environmental manager, who will oversee all the environmental climate and social activity aspects and will ensure delivery of the objectives of their E&S policies and procedures.

For Investments subject to an environmental impact assessment (EIA) as defined by *Directive 2014/52/EU amending EIA Directive 2011/92/EU* ("EIA Directive"), the Manager shall (i) ensure that an Environmental and Social Impact Assessment (ESIA) is carried out and that public consultation is undertaken in accordance with national legislation and the EIA Directive, (ii) collect and publish the EIA Study or (iii) retain on file a copy of the EIA Study for a period of not less than six (6) years, (iv) upon request, provide a digital copy to the EIB, and (v) upon request, confirm to the EIB that the Investment incorporates relevant mitigating measures recommended as a result of the EIA.

The NewCo will, on a semi-annual basis, prepare and submit to the Bank an aggregated E&S performance report.

With these conditions in place, the investment is deemed acceptable for the Bank from an environmental and social compliance perspective.