

Luxembourg, 11th December 2024**Public**

Environmental and Social Data Sheet¹

Overview

Project Name:	<i>PPCR SOLAR PV & BATTERIES FL</i>
Project Number:	<i>2023-0249</i>
Country:	<i>GREECE</i>
Project Description:	<i>Financing of renewable energy and battery energy storage projects in Greece</i>

EIA required: Yes for some projects under the framework loan

Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise ² :	yes

Environmental and Social Assessment

Environmental Assessment

The present operation concerns a Framework Loan (FL) that will support the investment plan of the promoter over the period 2024-2027. The FL is expected to finance solar PV and Battery Energy Storage Projects (“BESS”) in Greece from a portfolio of projects with an estimated total of c.a. 580MW Solar PV and c. 500MWh BESS.

The solar PV Projects under the present operation are expected to be small/medium size projects. All projects will be located in ex-lignite areas, in particular (i) in the Megalopoli site, (ii) Ptolemaida site, (iii) Amyntaio site and (iv) Melitis site. Impacts on the environment from PV plants are likely to include noise, dust and increased traffic during the construction phase and visual and land use impacts during operation.

¹ The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary

² 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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Due to their technical characteristics, the PV plants (PV) are expected to fall under Annex II of Directive 2014/52/EU amending EIA (Environmental Impact Assessment) Directive 2011/92/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. BESS units do not fall under either of the EIA Directive Annexes. The PV plants and BESS units are going to connect to the electricity grid, using the infrastructure -substations and lines- already existing in the lignite-mining areas (some projects may require new substations). For certain PV plants, an overhead line of a few kilometres will be needed to reach the existing grid connection infrastructure. Any grid connection works of the present operation will fall under Annex II. Based on information provided by the promoter, the projects that are expected to be financed under the framework loan have completed their environmental permitting.

The permitting process in Greece is based on a signposting scheme designating projects to three categories, based on their expected impacts as (i) very significant impacts, (ii) significant impacts and (iii) local minor impacts. The first category requires an EIA and undergoes a centralised permitting procedure by the relevant ministry, whilst the second category also requires an EIA but it is processed by the regional administration. The third category might require an EIA only under certain conditions (e.g. impact on protected areas).

The projects that are expected to be financed under this framework loan have been screened in (predominantly under category ii) and performed an EIA with the exception of certain BESS plants which have been screened out and followed the streamlined process.

At the stage of appraisal of the individual allocations, the Bank will review the permitting documentation (including the EIA screening decisions for projects which have been screened out). For investments with a cost above 80 MEUR, a separate Environmental Social Data Sheet will be published. Schemes having a significant adverse impact on any site of nature conservation importance will not be eligible under this operation.

Climate Assessment

The project is fully aligned with the goals and principles of the Paris Agreement as set out in the Bank's Climate Bank Roadmap and the Energy Lending Policy.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty, PPC S.A., is in scope and screened into the PATH framework, under the low carbon requirements. The counterparty is not involved in incompatible activities, and it already meets the requirements of the EIB PATH framework with its existing alignment plan.

EIB Carbon Footprint Exercise

The operation will provide environmental benefits by avoiding c. 975 GWh of conventional energy generation.

The direct CO₂ equivalent emissions PV plants are negligible. For the BESS projects, it is assumed that (i) their discharge replaces conventional generation from combined cycle gas turbine plants and (ii) the efficiency of the battery plants and the carbon footprint of the efficiency loss is taken into account in the absolute emissions calculation.

In accordance with the Bank's current Carbon Footprint methodology and on the basis of the preliminary pipeline shared by the promoter, it is calculated that based on the avoidance of electricity generation from a combination of existing and new power plants in Greece (combined margin for intermittent electricity generation), the total relative effect of the project is a net reduction in CO₂ equivalent emissions by 426kt CO₂e/yr.



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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.

Social Assessment

As the operation concerns the deployment of PV plants and BESS in restored lignite sites, no significant social impacts are expected. The schemes to be implemented under the FL will not require land acquisition or leases as the sites have already been under the ownership of the promoter for undertaking fossil power generation activities. It is expected that the implementation of the schemes under this FL will not lead to involuntary physical or economic displacement or resettlement. Schemes with significant negative social impacts shall not be eligible for the Bank's financing.

Recent reports are pointing out the possibility of use of forced labour in the supply chain of solar PV panels. The promoter has a Policy on Respect for Human Rights rejecting the use of any form of forced or compulsory labour. The promoter has reinforced its assessment process on supply chain sustainability, including on key aspects like forced labour and ethical practices. The promoter shall ensure that the supply chain of the solar PV panels used in the project is compliant with the applicable provisions of the relevant labour standard of the Bank and avoids the use of forced labour. The Bank will assess this as part of the allocation process.

The promoter implements a Suppliers and Business Partners Code of Conduct which serves as a framework of guidelines outlining the fundamental standards of ethical conduct, values and principles of Corporate Social Responsibility ("CSR") which the company expects all its suppliers / business partners to uphold and, in their turn, promote in their transactions with their employees, suppliers, contactors and clients.

The promoter's human rights policies and procedures entails zero tolerance as regards incidents and circumstances that may favour any form of modern slavery within the framework of its operation, as well as of the activities of its supply chain.

Public Consultation and Stakeholder Engagement

It is expected that for all project components subject to EIA, the public consultation has been carried out under the EIA process (if applicable), as required by the EU, and as transposed by the national and regional law. This will be verified at the appraisal of the allocations.

The counterparty has established a group wide Stakeholder Engagement Plan and grievance mechanism.

Channels of contact on social responsibility, sustainability and environmental matters are available through the website of the counterparty (PPC).

Other Environmental and Social Aspects

The promoter has established an Integrated System "ISO-Environmental & Social Management Systems (ESMS)" based on (Performance Requirements) PR / (Performance Standards) PS of EBRD/IFC, certified according to the International Standard for Environmental Management ISO 14001:2015, by an independent certification body. In addition, the Promoter maintains an Occupational Health and Safety Management System, according to ISO 45001:2018, a Quality Management System, according to ISO 9001:2015, and Greenhouse Gas emissions system ("GHG") (ISO 14064-1:2018).

These systems entail provisions for the implementation of the ESMS such as a procedure for the identification and evaluation of environmental aspects, a code for environmental practices, and the establishment of an environmental management plan. The ESMS is subject to regular



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inspections on annual basis to assess its performance. Continuous information, training and awareness are provided to the personnel of the promoter.

Conclusions and Recommendations

Under the following conditions, the operation is acceptable in E&S terms for the Bank's financing.

- The Borrower shall not directly or indirectly invest in Incompatible Activities.
- The Promoter shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to EU and national law without, prior to commitment of the funds, receiving consent from the competent authority, and the Non-Technical Summary of the EIA having been made available to the public.
- The Promoter shall store and maintain updated the relevant documents (including environmental studies related to the EIA, the Non-Technical Summaries of the EIAs, and nature/biodiversity assessments or equivalent documents supporting the compliance with the EU Habitats and Birds Directives) to be provided to the Bank upon request. In case the EIB requires such documentation, the promoter shall provide all documents requested promptly.
- The schemes should comply with the Bank's E&S Standards, which foresee zero tolerance for the use of forced labour. In particular, the promoter shall ensure that the supply chain of the solar PV panels used in the project is compliant with the applicable provisions of the relevant labour standard of the Bank. For this purpose, the promoter undertakes to make reasonable efforts to carry out appropriate due diligence throughout its supply chain, with the aim of avoiding the use of forced labour in the supply chains of the solar panels that will be used for this project. The Bank will assess the relevant documentation before the allocation of funds to solar PV projects.
- For schemes subject to a screening decision and screened out from the EIA process, the borrower should deliver such decision from the competent authority together with the related documents and studies, prior to the Bank's approval of the allocation.
- Whenever applicable, the borrower undertakes to fulfil the requirements of the environmental impact studies (EIA studies or others) and Environmental Permits.
- For schemes that may have an impact on a nature conservation site, the borrower shall obtain confirmation from the competent authority, or an equivalent confirmation satisfactory to the Bank, that the scheme does not have a significant negative impact on any such site. Such confirmation should be delivered to the Bank before the funds are allocated. Schemes with significant negative impacts on a nature conservation site shall not be eligible.
- Screening for sustainability proofing (if required) will be performed for underlying allocations as and where necessary.