

Luxembourg, 15 November 2023

Public

Environmental and Social Data Sheet¹

Overview

Project Name:	<i>MYTILINEOS REPOWEREU FRAMEWORK LOAN</i>
Project Number:	<i>2023-0372</i>
Country:	<i>EU</i>
Project Description:	<i>Financing of renewable energy and battery energy storage projects across Greece, Italy, Poland, Romania, Spain, Ireland and Bulgaria.</i>

EIA required:	no
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise ² :	yes
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

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 in Greece, Italy, Poland, Romania, Spain, Ireland and Bulgaria and Battery Energy Storage Projects ("BESS") in Greece and Italy, for an estimated total of c.a. 950MW Solar PV and 265MWh BESS.

Most of the solar PV Projects under the present operation are expected to be small/medium size projects. 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.

Due to their technical characteristics, the investments (PV and BESS) 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 environmental impact assessment is required. Based on

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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information provided by the promoter, it is expected that part of the pipeline which has not yet completed its environmental permitting, will be screened out from the EIA process, primarily due to new procedures (implementing the RepowerEU and the Renewable Energy Directive requirements on simplifying permitting procedures)

In Italy, permitting procedures have been amended, primarily since 2021 and 2022, aiming to streamline the process for renewable energy plants. Amendments introduced the concept of appropriate land areas, for which their designation must comply with certain criteria. In 2023, this list has been extended covering more cases and also among others (i) raised the threshold for the EIA requirement and (ii) excluded storage plants within eligible areas from the EIA requirement. However as additional legislative work is expected in order to complement the adopted legislation. It is expected that the projects under the present operation might in their majority follow the procedures already in force. The projects under the present operation, expected to represent c. 50% of the allocations, are expected to be below 50MW with the majority below 20MW.

Similarly in Greece, the threshold for an EIA requirement has been increased to 10MW from 2MW. In particular, the permitting 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 (for PV >200MW) requires an EIA and undergoes a centralized permitting procedure by the relevant ministry, whilst the second category (for PV >10MW but <200MW) also requires an EIA but it is processed by the regional administration. The third category (for PV below 10MW) might require an EIA only under certain conditions (e.g. protected areas or other). For the present operation, the majority of the PV and BESS projects to be allocated are expected to fall in the third category, in which case a simplified process is followed covering the requirements of Annex III of the EIA directive for projects which are screened out. The majority of the projects under the present operation are expected to be below 10MW and possibly screened out from the EIA process.

The projects in the pipeline of the promoter in Bulgaria, Romania, Poland, Spain and Ireland are expected to represent a small share of the present operation and concern projects below 50MW with the majority below 25MW.

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 50 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 to 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 [Mytilineos 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.



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EIB Carbon Footprint Exercise

The operation will provide environmental benefits by avoiding c. 1595 GWh of conventional energy generation.

No direct emissions related to renewable energy generation are assumed. 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.

The estimated emissions savings compared to the generation replaced by the schemes are c. 630 kilo tonnes of CO₂ equivalent per year, following the Bank's standard methodology and based on the preliminary pipeline shared by the promoter.

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 small and medium scale PV plants, no significant social impacts are expected. The schemes to be implemented under the FL will require for the installation of the projects' components the acquisition, lease or easements of land. The promoter is engaging with the landowners in order to secure voluntary agreements for the lands required by all project infrastructures. 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.

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 policy 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, recognising that no field of activity may be excluded.

Public Consultation and Stakeholder Engagement

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

The Promoter has established a group wide Stakeholder Engagement process in the framework of CSR international standard ISO 26000 and Standard AA 1000 in terms of identifying Stakeholder groups.



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Channels of contact on social responsibility, sustainability and environmental matters are available through the website of the promoter <https://www.mytilineos.com/contact-us/>.

Other Environmental and Social Aspects

The Promoter has established Environmental Management Systems (“EMS”) certified according to the International Standard 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.

These systems entail provisions for the implementation of the EMS 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 EMS is subject to regular inspections to assess its performance of EMS. 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, 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.



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- For schemes that may have an impact on a nature conservation site, the borrower shall obtain confirmation from the competent nature conservation 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 and sustainability proofing (if required) will be performed for underlying allocations as and where necessary.