

Sustainability Proofing Summary¹	
Utajärven Solarpark Oy & Skarta Energy Solarparks Oy	
EIA Directive	☐ Annex I projects (EIA required) ☒ Annex II projects (screening) ☐ EIA required (project screened in) ☒ EIA not required (project screened out) 2014 EIA Directive applicable ☐ Yes ☒ No
Sustainability proofing process	☒ Climate ☐ Environmental ☒ Social
Climate Dimension	
	The assessment of climate dimension aspects was carried out according to the <i>Technical guidance on sustainability proofing for the InvestEU Fund</i>, using project technical due diligence materials, and NIB in-house expertise. NIB has conducted an assessment on climate risk and vulnerability for the project as part of its internal mandate process. The project falls under Annex II of the EIA Directive 2014/52/EU amending the Directive 2011/92/EU and does not require an EIA. The operation is located in Utajärvi and Pälkäne. The Utajärvi solar park will have a total capacity of 103.2 MW and is to be developed on decommissioned peat bog area. The Skarta solar park is expected to have a total capacity of 5 MW and will be built on land with no former industrial activities. The relevant permits are in place for the project. Based on an externally conducted yield analysis, the project is predicted, as an annual P90 average, to generate 98,9 GWh electricity per year. The project is compatible with EU climate neutrality targets, as there is an avoidance in GHG emissions by adding renewable energy into the network. Applying the combined margin for intermittent electricity generation for Finland of 335.7 g CO2/kWh equals a greenhouse gas emission saving of around 30,000 t/y. In accordance with the <i>Technical guidance on sustainability proofing for the InvestEU Fund</i>, a risk analysis has been performed for flooding, extreme precipitation and wind events. A number of measures has been taken into consideration e.g. in the design of the mounting structures.

¹ In line with Article 8 (5) of the InvestEU Regulation and the sustainability proofing guidance ([C\(201\)2632 final](#)).

Environmental Dimension	
	An initial impact assessment has been performed for the project. During operation, the project does not cause any significant negative environmental impacts. The project site is not located in a specially protected natural area, or a protected natural area of European significance (Natura 2000). The initial impact assessment concluded the certain areas should be investigated further for breeding birds and moor frogs. The developer conducted surveys for the moor frog and breeding birds and identified moor frog resting areas in Utajärvi which led to a change in original panel layout with no panel installations in these areas. The operation area is located in the area of the ancient Litorina Sea, where there are potential acid sulphate soils. The project has confirmed that no ditching is needed on site and cabling related groundwork is kept at maximum of 70 cm deep to not risk penetration to possible acid sulphate layers. The environmental risk is considered low as per the <i>Technical guidance on sustainability proofing for the InvestEU Fund</i>.
Social Dimension	
	An assessment of social impacts was carried out according to the <i>Technical guidance on sustainability proofing for the InvestEU Fund</i>, using due diligence materials and NIB in-house expertise. While the operation has been assessed having low risk of negative local impacts across social criteria associated with solar plant construction and power production, industry reports indicate that the supply chain of solar panels, especially polysilicon supplies, potentially involves areas and entities in China linked to use of forced labor. China accounts for 80% for PV grade polysilicon production². In general, the sector lacks transparency on the traceability of components and there is limited access for third party auditors. The Borrower and panel suppliers, have supplier code of conduct policies in place that are in line with industry practices. The Borrower also used a third-party risk assessment for the selection of supplier for the solar panels including assessments on the supply chain.

² IEA (2022), Solar PV Global Supply Chains, IEA, Paris <https://www.iea.org/reports/solar-pv-global-supply-chains>.