

EDC PROJECT REVIEW SUMMARY:

Greater Changhua Southeast 1 Offshore Wind Farm

Project Description	Design, development, construction, installation, testing, commissioning, operation, maintenance and decommissioning or repowering of the 605.2MW Greater Changhua Southeast Offshore Wind Farm.
Project Sponsors	CDP Groupe Infrastructures Inc., a wholly owned subsidiary of Caisse de dépôt et placement du Québec ("CDPQ"), Cathay Sustainable PE Fund L.P. ("Cathay") and Ørsted A/S ("Ørsted").
Country	Taiwan
Project Category	A
Canadian Exporter(s) / Investor(s)	CDPQ
Description of capital goods and/or services	Offshore Wind Farm
EDC Product	Project Finance
Date of publication on EDC's website (dd/mm/yy)	23/06/2020
Date of Signing (dd/mm/yy)	28/12/2020

Project Categorization

The 605.2MW Greater Changhua Southeast Offshore wind project in Taiwan consists of 75 turbines located 36kms off the west coast of Taiwan in Changhua County and covering an area of 109 sq kms. The Project includes the construction of onshore and offshore substations, as well as export cables. The Project is one of four wind farm developments making up the Greater Changhua Offshore Wind Power Project. Caisse de Depot et Placement du Quebec's is acquiring up to 50% of the Project from Ørsted; the owner and operator who will be responsible for the full construction of the Project. The Project was classified to be a Category A project since it is large in scale and has the potential for significant adverse environmental and social impacts. Category definitions can be found [here](#).

Summary of EDC's Review

EDC reviewed the Project in accordance with the *Environmental and Social Review Directive (ESRD)* and *Equator Principles (EP4)* and has determined that the Project has been designed in compliance with applicable host country environmental requirements, IFC Performance Standards and with the Equator Principles. To reach this conclusion, EDC reviewed Project Environmental and Social Impact Assessments, independent environmental

and social due diligence reports and project management plans. A site visit was not completed by ESRM given the ongoing travel restrictions caused by Covid-19.

Summary of Key Environmental and Social Risks and Mitigants

EDC due diligence determined that the Project Sponsors have demonstrated a strong capacity to manage their environmental and social risks and have suitably avoided and minimized impacts per the mitigation hierarchy. The following table summarizes key risks identified for the Project along with the most pertinent mitigations that were applied for each.

Key Risk	Key Mitigants
<p><u>Economic Displacement</u>: Economic displacement of local fishers.</p>	<ul style="list-style-type: none"> • A Financial Compensation Agreement with the Changhua Fishery Association has been established in accordance with Taiwanese compensation standards • Additional support measures have been identified to provide economic support to the local community and fishing industry • The Project is committed to developing plans to support affected stakeholders as part of a livelihood restoration plan • The Project is committed to continuous engagement with affected stakeholders
<p><u>Biodiversity Impacts - Migratory Birds</u>: Heightened bird mortality risks due to collision with rotating wind turbine blades</p>	<ul style="list-style-type: none"> • The Project considered various designs to minimize risks of bird collisions and has adopted an adaptive strategy to managing bird mortality risks • The Project has committed to providing continuous monitoring involving the installation of surveillance, radar surveys and regular visual surveys • The Project is committed to collaborating with other windfarm developers in the area • Biodiversity assessments and mitigation plans were developed to align with international best practice and IFC Performance Standards
<p><u>Biodiversity Impacts – Marine Habitat, Flora & Fauna</u>: Temporary impacts to the critically endangered Taiwanese White Dolphin as Project cable routes will pass through proposed major wildlife habitat</p>	<ul style="list-style-type: none"> • The Project has identified a number of avoidance and mitigation measures to manage impacts on the Taiwanese White Dolphin • The impacts to the Dolphin population are anticipated to be temporary, but the Project has identified monitoring activities to manage impacts • Biodiversity assessments and mitigation plans were developed to align with

Documentation Reviewed:

The following is an illustrative list of key documentation that was reviewed as part of the current confirmation of the ESRD.

1. Environmental and Social Management System, Prepared by Mott Macdonald: Dated August 2020
2. Project Health, Safety and Environmental Plan, Prepared by Ørsted Taiwan: Dated July 2020
3. Onshore Health, Safety and Environment Plan, Prepared by Star Energy: Dated October 2019
4. Environmental Impact Assessment, Prepared by Unitech Engineering Co Ltd: Dated March 2018
5. External Environmental and Social Due Diligence Report, Prepared by ERM: Dated October 2020
6. Cumulative Impact Assessment, Prepared by Mott Macdonald: Dated August 2020
7. Critical Habitat Assessment, Prepared by Mott Macdonald: Dated July 2020
8. Climate Change Risk Assessment, Prepared by Mott Macdonald: Dated August 2020
9. Code of Conduct for Business Partners, Prepared by Ørsted: Dated September 2019
10. Draft Livelihood Restoration Plan, Prepared by Mott Macdonald: Dated October 2020
11. Draft Biodiversity Action Plan, Prepared by Mott Macdonald: Dated August 2020
12. Draft Stakeholder Engagement Plan, Prepared by Mott Macdonald: Dated August 2020
13. Draft Human Rights Impact Assessment, Prepared by Mott Macdonald: Dated October 2020

Applicable International Finance Corporation (IFC) Environmental and Social Standards used by EDC (in addition to host country requirements):

- Performance Standard 1: Social and Environmental and Management Systems
- Performance Standard 2: Labour and Working Conditions
- Performance Standard 3: Pollution Prevention and Abatement
- Performance Standard 4: Community Health, Safety and Security
- Performance Standard 5: Land Acquisition and Involuntary Resettlement
- Performance Standard 6: Biodiversity Conservation and Sustainable Natural Resource Management of Living Natural Resources
- Performance Standard 8: Cultural Heritage

EDC has considered the relevant aspects of the World Bank General EHS Guidelines, the EDC Guidelines for Wind Energy, and the EHS Guidelines for Electric Power Transmission and Distribution.