

## Environmental and Social Data Sheet

### Overview

Project Name:	ACSM-AGAM ENERGY EFFICIENCY & CLIMATE ACTION
Project Number:	20190260
Country:	Italy
Project Description:	<i>The project, being part of the 2019-2023 investment programme of ACSM-AGAM, will comprise a number of investments geographically dispersed throughout the service areas covered by ACSM-AGAM. This is a multi-sector operation including integrated water sector, solid waste, electricity distribution, district heating, public lighting, hydro, energy efficiency, IT and cyber security and smart city schemes.</i>
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	yes

(details for projects included are provided in section: “EIB Carbon Footprint Exercise”)

### Environmental and Social Assessment

The Promoter, ACSM-AGAM, is a multi-utility operating mainly in the north of Lombardia, in the provinces of Varese, Como, Monza e Brianza, Lecco, and Sondrio. Most of the investments will be related to assets located in these areas, with the rest being located in Northern Italy (exception made for two investments located in southern Italy). The Promoter is already active in all the sectors covered by this Programme, and a subsidiary of one of Italy's largest multi-utilities, A2A. This is the first operation with the Promoter.

#### Environmental Assessment

Italy, as an EU Member State, has harmonised its environmental legislation with the relevant EU Directives, namely:

EIA Directive 2014/52/EU amending the 2011/92/EU, Habitats Directive 92/43/EEC, Birds Directive 2009/147/EC, Water Framework Directive 2008/32/EC amending the 2000/60/EC Directive and EU Directive 2018/851 amending the Directive 2008/98/EC (Waste Framework Directive).

In the energy sector, the investments consist of: extension, modernization, and upgrade of district heating networks; development of new micro-cogeneration units; refurbishment and upgrade the efficiency of approx. 120,000 public lighting posts; upgrade of electricity distribution networks, energy efficiency measures and installation of small PV plants in public buildings. The investments also include the refurbishment of a hydroelectric power plant and

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

Luxembourg, 13<sup>th</sup> November 2019

the development of sustainable mobility solutions. Investments will be located mainly in the provinces of Monza, Como, Varese, Lecco and in the rest of Northern Italy.

The water investments concern the 2019-2023 water investment programme of AGSM-AGAM Reti Gas Acqua, a multi utility providing water supply services to ca. 315,000 persons in the Provinces of Varese and Como, in the Lombardy Region. The investments consist of numerous small to medium sized projects aimed at upgrading and optimising the existing water production, transfer and distribution systems as well as general interventions notably IT improvements for remote control. The timing and nature of the works included in the programme are geared towards compliance with national and European legislation, notably the Drinking Water Directive 98/83/EC and the respect of the service standards defined in the concession agreements, which govern the Promoter's activities in the service area. The master plans of the ATOs Varese and Como are the planning framework of the proposed investments. The projects will reduce water losses and will result in energy savings through increased efficiency of the water systems. In addition, the efficiency of the Promoter in managing the systems will be improved. None of the related works will be implemented inside or near Natura 2000 or other protected sites.

In terms of environmental regulation, the regional Environmental Protection Agency of Lombardy is responsible for monitoring the quality of water bodies and ensuring compliance with environmental permits issues by the competent authorities. The Health Authority is responsible for monitoring compliance with the drinking water quality standards.

The Solid waste component comprises a number of investments geographically dispersed throughout the service areas covered by the promoter including the acquisition of around 20 electric vehicles for carrying out sweeping activities and a number of energy-efficient EURO VI trucks in order to renew the less efficient fleet of waste collection trucks. It also concerns the construction and the revamping of the second line of an existed waste to energy plant with a nominal capacity up to 94,000 tonnes/year generating up to 41GWhel.

The projects' main environmental impacts are noise, odour and airborne pollutants during the construction works and operation of the Material Recovery Facilities (MRF) and the revamping works respectively. Furthermore, waste collection activities will also lead to noise and other environmental nuisances. As required by the respective permits issued, these risks will be addressed through specific mitigation measures and more generally through the compulsory use of "Best Available Technique" (BAT) for equipment. Finally, Industry-standard monitoring and control of pollutant missions must take place.

The solid waste projects do not require an EIA, and will be not located inside or near a Natura 2000 area and there will be no impacts on any protected site.

Conversely, if, any of the energy or water projects falls under Annex II of the EIA Directive 2014/52/EU amending the 2011/92/EU, the promoter is required to act in accordance with the provisions of the aforementioned Directive as transposed into national law. Should the relevant competent authority screen in a project component, the Borrower shall deliver to the Bank a copy of the EIA study and the Non-Technical Summary (NTS), or provide a website link to the location where the EIA is published. The Borrower should also retain on file a copy of the EIAS or/and NTS (if applicable) for a period of not less than six (6) years and confirm to the EIB that the sub-borrower incorporates relevant mitigating measures recommended as a result of the EIA (if applicable).

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## **EIB Carbon Footprint Exercise**

The carbon footprint is based on the estimation all GHG emissions related to the project. The majority of the emissions stems from the CHP energy generation and installations subject to the energy efficiency measures and to some extent some of the advanced manufacturing technology equipment. Natural gas consumption as well as electrical power consumption have been considered to estimate the absolute emissions of the project. Based on the bank's carbon footprint exercise methodology it is estimated that the overall project will result in emission savings of 86.8 kt of GHG per year.

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, where applicable**

Social negative impacts are only temporary and include possible disruption of services and traffic, noise and temporary occupation of public and private space as well as safety hazards during the construction phase, which will be addresses as part of the planning for the implementation of the each scheme.

## **Public Consultation and Stakeholder Engagement**

The Promoter will be requested to ensure compliance with national and European environmental legislation, notably to facilitate public access to environmental information and guarantee public consultation during the environmental decision process, where relevant, in accordance with the Aarhus Convention.

## **Conclusions and Recommendations**

Given the characteristics, location and considering the criteria established under the national EIA legislation, the impacts that can be expected from implementation works will be of temporary nature and will be mitigated according to the established industrial practices.

The promoter nonetheless undertakes not to allocate the Bank's funds to programme components requiring an EIA and/or appropriate assessment until it has been completed to the satisfaction of the Bank, including approval by the competent authority. An electronic copy of the Non-Technical Summary (NTS) must be submitted to the Bank once the EIA is made available to the public. A copy of the consent from the competent authority should be provided to the Bank.

The Promoter is considered to have the necessary environmental and social management experience and his practices with regard to the management of environmental, social and health and safety issues (ESHS) are considered adequate. The promoter has a structured ESHS organigram with management functions at corporate, business unit and individual company level; it has recently updated its Environmental Risk Management policy and, as of 2018, has devised a set of environmental and social targets and indicators and is developing a fully-fledged E&S management system.

In view of the above findings and conditions, the operation is deemed satisfactory from an E&S compliance perspective.