

**Public**

## Environmental and Social Data Sheet

### Overview

Project Name:	SUSTAINABLE SECURITIES FUND
Project Number:	2019-0464
Country:	Italy
Project Description:	Investment fund targeting energy efficiency and renewable energy projects in Italy.

EIA required                                      Some of the underlying projects may require an EIA.

Project included in Carbon Footprint Exercise<sup>1</sup>:                      no

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

### Environmental and Social Assessment

The Fund's objective is to provide debt financing to Energy Services Companies (ESCOs) to support their long-term project funding needs by developing energy efficiency (EE) projects mainly in lighting and building retrofits, including building integrated renewable energy (RE) systems. In addition, it will provide debt financing and equity to utility scale wind farms, solar plants and biogas plants for bio-methane production.

The Operation will contribute to climate change mitigation by supporting the implementation of energy efficiency and renewable energy projects. These projects will lead to a decrease in energy consumption and an increase in energy from renewable sources. The exact savings will depend on the initial energy performance of the projects, whereas the renewable energy to be generated will depend upon the plants' capacity and performance.

Eligible investments will be consistent with the Energy Performance Building Directive (2010/31/EU), the Energy Efficiency Directive (2012/27/EU) and the Renewable Energy Directive (2018/2001/EU). In addition, the renewable energy projects shall be subject to the requirements of the 'Habitats Directive' (European Directive 92/43/EEC) and/or 'Birds Directive' (European Directive 79/409/EEC as amended by 2009/147/EC) and/or Industrial Emission Directive 2010/75/EC (IED). Biogas plants will comply with specific eligible technologies and sustainability criteria as defined by the Bank.

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<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, 12.03.2020

## Environmental Assessment

The EE projects will be located in urban developed (commercial) areas. At construction stage, they will increase noise and vibration levels and affect air quality. Adequate mitigation measures will be considered together with the enforcement of good construction practices. The residual impact of the investments targeted by the fund are reversible and acceptable when appropriate mitigation measures are implemented.

Some of the RE projects to be financed by the Fund are expected to fall under Annex II of the Environmental Impact Assessment (EIA) Directive 2014/52/EU amending Directive 2011/92/EU. Therefore, they should be subject to a screening decision by the competent authority based on Annex III of the same Directive. In these cases, the Bank will require the promoter to act according to the provisions of the aforementioned Directive as transposed into national law. Should the relevant competent authority screen in a scheme, the Fund Manager shall ensure that the EIA study is published on their website, in which case the Fund Manager will also send the publication link to the Bank or shall deliver to the Bank the EIA study for publication on the EIB's website before the Bank funds are allocated.

The Fund has an environmental and social governance (ESG) system in place, and in line with the Bank's requirements, one person that will be in charge of coordinating and facilitating the integration of the ESG in all investment processes. Under the ESG risk methodology, environmental and social risks are identified at origination and screening stages and are analysed by the Investment Team. In addition, E&S related matters are monitored by the Bank as part of the overall monitoring process.

## Conclusions and Recommendations

The promoter is considered capable to select schemes complying with the Bank's specific procedures and eligibility criteria, in particular regarding the environmental and social aspects.

The Fund Manager will be required to ensure compliance of the investments with the EIB Excluded and Restricted Lists of activities, the EIB core E&S requirements including setting up a grievance redress mechanism applicable to its entire portfolio as well as the E&S national laws and regulations. On an annual basis, the Fund manager will prepare and submit to the Bank an aggregated E&S performance report. These requirements will be endorsed by contractual obligation.

In view of the above findings, the operation is deemed satisfactory from an environmental and social compliance perspective.