

## Environmental and Social Data Sheet

### Overview

Project Name:	UNICREDIT CLIMATE ACTION FL ITALY
Project Number:	2021-0267
Country:	ITALY
Project Description:	Framework loan to support a pipeline of small to medium sized renewable energy, energy efficiency and biomethane projects in Italy.
EIA required:	Some sub-projects may require an EIA under the relevant legislation.

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

#### Environmental Assessment

The operation is a Framework Loan (FL) that will support, through the Financial Intermediary (FI) UNICREDIT, several small/medium-scale renewable energy projects (solar PV plants, onshore wind farms and production of biomethane) in Italy. The FI may also invest in energy efficiency schemes (Public Lighting, buildings, to be decided on a case-by-case basis).

The operation will contribute to EU energy objectives by supporting investments in new renewable energy generation capacity and energy efficiency, which will be Paris aligned. The investments will generate environmental benefits in terms of reduction of air pollutants and GHG emissions, ultimately helping to mitigate climate change.

Most of the schemes are expected to fall under Annex II of the Environmental Impact Assessment (“EIA”) Directive 2014/52/EU amending Directive 2011/92/EU, requiring the competent authorities to determine whether an EIA is required or not. For projects that require an EIA, the FI shall undertake to deliver to the Bank a copy of the Non-Technical Summary (NTS) and EIA study, or provide a website link to the location where the EIA is published. If a project is screened out, then, according to the EIA Directive, this should also be made public, stating the reasons for not requiring such an assessment.

In Italy, the construction of the types of projects to be financed by this operation requires the project to be granted a Framework Authorisation called Autorizzazione Unica (AU). The Environmental Impact decision is part of the administrative AU required by the national

<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, MC decision 16.06.2021

regulation. The AU is a single authorisation which must be filed with the provincial authority where the project is located, demonstrating that the work will be undertaken in compliance with existing zoning laws and plans, and with safety, health and environmental protection regulations. Supporting documentation must also be provided. Should any of the conditions required for the approval of the AU be missing, the provincial authority must notify the applicant that the application will be suspended and inserted into a separate list. The applicant may deliver the missing documents to the provincial authority and a further evaluation will be undertaken later. In the case where an EIA is needed, the AU process is suspended until the completion of the EIA.

For each sub-scheme that may have an impact on a nature conservation site, written confirmation from the competent nature conservation authority, or an equivalent confirmation satisfactory to the Bank that the mentioned scheme does not have a significant negative impact on any site of nature conservation importance should be presented, as a condition of disbursement. Schemes with significant negative impacts on areas with high biodiversity value, nature conservation areas, including bird migration routes, shall not be eligible.

The feedstock of the biomethane schemes will be either agricultural residues or organic fraction from solid urban waste. Any biomethane scheme will comply with the EIB's sector criteria. In particular, a biomethane scheme will be eligible when using appropriate feedstock for advanced biomethane production as listed in Part A of Annex IX of Directive (EU) 2018/2001, and biomass feedstock will be compliant with the EIB's sustainability criteria.

### **EIB Carbon Footprint Exercise**

Intermediated lending through Framework Loans is not currently included in the carbon footprint exercise.

### **Other Environmental and Social Aspects**

The FI is well known to the Bank through a previous recent operation of similar characteristics and is familiar with the Bank's Environmental and Social requirements. Additionally, it has substantial previous experience in non-recourse financing of renewable energy projects. The Bank has reviewed the FI's due diligence capabilities, finding them adequate. On the basis of its E&S principles, the FI has in place an E&S system, an environmental expert, guidelines and procedures for assessing its clients and transactions. The FI is also signatory to the Equator Principles.

All schemes under this operation undergo due diligence by UNICREDIT, including environmental and social appraisal. The promoters of the underlying projects will be required to have an HSE policy in place and to comply with the relevant law.

The FI will be contractually obliged to ensure that all investments comply with the relevant EU Environmental Directives (e.g. EIA Directive 2014/52/EU amending Directive 2011/92/EU, Habitats 92/43/EEC, and Birds Directive 2009/147/EC amending 79/409/EEC) and the EIB's Environmental and Social Standards (where applicable).

Under the allocation procedures, all underlying sub-projects will be reviewed by the EIB, either ex-post or ex-ante, depending on the investment cost. Only projects that receive environmental authorisations (where applicable), including an opinion from the Competent Authority of no negative impact on any Natura 2000 site, as well as licences (including building permits), and which are in compliance with relevant EU Environmental Directives and EIB E&S Standards (where applicable), are eligible for EIB financing.

## Conclusions and Recommendations

On the basis of the above, the Bank will require the following environmental and social disbursement conditions and undertakings in its finance contract:

- For each scheme, the Financial Intermediary shall provide a copy of either screening decisions or Environmental Impact Studies (EISs, including Non-Technical Summaries), of the related authorisations (EIA and Autorizzazione Unica).
- For each scheme that may have an impact on a nature conservation site, the Financial Intermediary shall obtain confirmation from the competent nature conservation authority, or an equivalent assessment satisfactory to the Bank, that the scheme does not have a significant negative impact on any site of nature conservation importance.
- The Financial Intermediary will implement best available techniques to prevent methane's slip from biomethane production units, a monitoring plan and propose mitigation measures when required to lower slips as much as possible.

The Bank has reviewed both the project selection processes and the project due diligence processes of the FI, and in view of the conditions proposed, the operation is considered acceptable for Bank financing from a social and environmental point of view.