



European Investment Bank (EIB)

Luxembourg, 14/06/2022

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name:	SOCIETA GASDOTTI ITALIA - GAS TRANSMISSION Project
Number:	2015-0815
Country:	Italy
Project Description:	Investment programme in gas transmission in Central Italy, for pipeline extension and network renewal.

Summary of Environmental and Social Assessment at Completion

The investment programme consisted of the construction of:

- a DN500 gas pipeline 75 kilometres long and a maximum operating pressure of 75 bar (the “Cellino-San Marco section II”) between the provinces of Teramo and Fermo, in the Marche and Abruzzo regions in eastern Italy, and
- 13 small distinct components located in various other regions aimed at the modernisation and replacement of existing, but obsolete, gas infrastructure.

Overall, the Promoter did not report any issue during implementation as concerns environment or social impacts.

In relation to the environmental legal framework, the most relevant applicable EU directives are 2011/92/EU (EIA), 92/43/EEC (Habitats) and 2009/147/EC (Birds).

For the “Cellino-San Marco section II” pipeline, the EIA was completed in 2013. The pipeline route did not affect directly or indirectly any Natura 2000 area. The environmental permit issued by the Marche Region (EIA 25/06/2013 - DGR Marche n. 944) was available at loan approval stage and did not present any issue. The EIA contained a number of mitigation measures to be fulfilled, and the finance contract contained a number of undertakings during project implementation. SGI has reported that all environmental compensatory measures have been completed. Decree n. 58 26/03/2019 by the Marche Region confirms the compliance with the EIA requirements. Preconditions included actions in relation to seismic risk, nature preservation, excavation practices, screening and analysis of heritage/archaeological impacts and inspections. As a result of further inspection, a project variant in an area affected by landslide was designed and successfully completed.

Public consultation and publication of the authorities’ decisions, which are mandatory under Italian legislation for environmental impact assessments, was carried out for the Cellino-San Marco pipeline – section II.

Regarding the smaller programme components, the Bank originally introduced a contractual obligation for the Promoter to provide the screening decision by the local environmental authority. The Promoter was also requested to allocate EIB funds only to those components for which the approval process has been completed with results satisfactory to the Bank. The Promoter committed to not allocate the Bank’s funds to components of the programme that



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have not completed the environmental and biodiversity assessments as required by the Directive 2011/92/EU and the Birds and Habitats Directives, including the approval from the national authorities.

Among the small projects, all works were given an environmental permit where relevant. Some specific branch replacement works required a specific EIA and the 'Autorizzazione Unica' (Single Procedure), being in a landscape protection area. The authorisation was provided in 2018.

The main expected social impacts related to the compensations for losses incurred by the set easements and protection area of the pipeline, including losses for destroyed crops and cut forest (covered by compensation rules). 95% of easement was achieved via voluntary agreements by end 2017. Legally mandated occupations took place in 2018 in relation to the Monterubbiano DN 500 variant.

Some litigation is still ongoing and concerns some landowner compensation cases. Five minor legal actions are ongoing for a total amount exposure of EUR 145,000. SGI reports no sanctions by Authorities.

The project is not included in the carbon footprint exercise.

The operator has a well-established health, safety and environmental (HSE) management system, and is OSHAS 18001 certified.

As concerns safety, a fatality occurred at the Contractor's own logistics area and one injury also at the Contractor's main logistics area. Following these, the promoter launched a review of its construction procedures together with the contractor and identified new safety requirements to be put in place.

The Promoter is familiar with requirements of authorities and environmental legislation and demonstrated high capacity to properly address environmental issues.

Summary opinion of Environmental and Social aspects at completion:

The EIB is of the opinion, based on reports from the Promoter and others during construction, that the Project has been implemented in line with EIB's Environmental and Social Standards, applicable at the time of appraisal.