



European Investment Bank (EIB)

Luxembourg, 12/10/2022

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name:	2I RETE GAS DISTRIBUTION NETWORK
Project Number:	(2016-0514)
Country:	Italy
Project Description:	Replacement, upgrading and extension of the Promoter's gas distribution networks throughout Italy in the 2017-2020 period.

Summary of Environmental and Social Assessment at Completion

EIB notes the following Environmental and Social performance and key outcomes at Project Completion.

The Programme comprised the following types of network investments: network extension (with new connections), pipe replacement, corrosion prevention and other network refurbishments.

The programme underwent a number of variations in the nature of investment works, but all within the framework of typical works in the gas distribution sector. However, this did not appear to alter the originally envisaged social or environmental impact.

As an undertaking, the Promoter could not allocate the Bank's funds to any project component requiring an Environmental Impact Assessment ("EIA") until such assessment was approved by the competent authority, the construction permit issued, and both EIA and permit procedures were satisfactory to the Bank. No project components required an EIA.

The Promoter has reported no legal proceedings connected to the programme until the completion of implementation in 2020.

During the whole project period, the Promoter did not report any accident that resulted in absence from work for a period exceeding 30 days.

Chapter 14 of the Promoter's Consolidated Financial Statements contains a comprehensive assessment about 2i Rete Gas's risk management, including in relation to the Promoter's internal control system in place to respect the laws, regulations and internal procedures.

The promoter is accredited to meet the standards of ISO 9001; ISO 14001 and OSHAS 18001. Site visits during appraisal demonstrated the appropriate implementation of health, safety, security and environmental standards.

The original estimation of annual absolute emissions of the programme in a standard year of operation is 183 kt CO₂eq. The estimated emissions savings are 36 kt CO₂eq/year. Emissions include those related to incremental gas supplied to serve the new connections. The baseline comprised the emissions related to alternative fuel consumption, which would have been needed to meet the incremental demand without the gas distribution network extension. The network rehabilitation part of the programme planned to achieve some loss reduction. This amount was also added to the baseline, since those emissions would take place if the network rehabilitation was not completed. Under the new EIB Carbon Footprint methodology, which incorporates further the impact of fugitive emissions associated with any network extension, the level of estimated emissions savings was 57.7 kt CO₂eq/year. The final emission savings



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considering the actual number of new connections and of the final cumulative demand estimates are around 71 kt CO₂eq/year.

Summary opinion of Environmental and Social aspects at completion:

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