



Luxembourg, 08.12.2022

Environmental and Social Data Sheet

Overview

Project Name:	AUGSBURG PUBLIC INVESTMENTS
Project Number:	2021-0675
Country:	Germany
Project Description:	Investment programme of the local utility over several years in the sectors of energy, public transport and water.
EIA required:	Some of the underlying investments may require an EIA
Project included in Carbon Footprint Exercise ¹ :	yes
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The project concerns the investment programme of Stadtwerke Augsburg Holding (SWAH) subsidiaries for energy supply, urban transport, and water supply for the period of 2022-2026. It will improve the efficiency, reliability and sustainability of the relevant utilities in Augsburg by means of investment such as expanding and modernising electrical lines, district heating pipelines, renewable energy supply, public transport and water supply infrastructure.

Although net long-term environmental impacts will be positive, some works may require a full EIA according to Directive 2011/92/EC as amended by Directive 2014/52/EU or affect protected areas. The required EIA studies will be sent to the Bank for review and publication, as and when available. Due to the nature of the works to be implemented it is anticipated that the negative environmental impacts will be mostly associated with the period of construction and will be mainly localised and temporary, such as noise, vibration, dust and traffic disturbances. During operation, some components may trigger electromagnetic fields (EMF) that will be below safety limits as set by the EU. Appropriate mitigation measures will be implemented to minimise impacts during construction and operation. These include, but are not limited to, containing noise, dust, vibrations, emission of gaseous pollutants and traffic disruption as well as proper management of construction waste materials.

According to the Promoter, the schemes are not expected to have any negative impact on Natura 2000 sites or other protected areas.

The project contributes to the Bank's transversal objective Climate Action Mitigation by supporting electricity distribution and energy efficiency schemes in district heating and renewable energy generation. The project will also contribute to the Bank's transversal objectives Climate Action Adaptation and Climate Action Mitigation through specific investments in water infrastructure as described below.

¹ 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 CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



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A detailed assessment per sector/component is given hereafter:

Electricity and district heating networks

Due to their technical characteristics, none of the investment schemes are expected to fall under Annex I of Directive 2014/52/EU, amending EIA Directive 2011/92/EU. Some programme schemes might fall under Annex II of the EIA Directive, leaving it to the competent authority to determine whether a full Environmental Impact Assessment (EIA) is required. Under the German environmental legislation, (i) overhead lines with voltage level equal to or above 110 kV and ii) district heating pipes with a length of 5 km or above or outside urban areas need to undergo an environmental screening, following which the competent authorities determine whether a full EIA is required or not. The schemes of the Programme do not meet the minimum thresholds for Environmental Impact Assessment (EIA) screening set out in national legislation as per the provisions of Article 4(3) of Directive 2014/52/EU amending EIA Directive 2011/92/EU. Therefore, none of the schemes will require an EIA.

The schemes will be screened with respect to the need for appropriate assessment under the EU Habitats and Birds Directives. Given the characteristics and the typical impacts of the programme schemes and considering the promoter's planning policy of avoiding crossing Natura 2000 sites, at this stage the promoter expects that none of the schemes will be screened in for an Appropriate Assessment.

The investments into digital remote metering infrastructure typically involve the substitution of existing equipment and the usage of telecommunication networks. The main potential impact on the environment relate to electromagnetic fields and the management of the meters being substituted by this project according to the established industry practice. The Promoter confirmed that exposure of people to electromagnetic radiation from smart meters is compliant with the applicable national regulation (VDE Richtlinie), which is in line with EU regulation. Appropriate procedures are established to manage, track and monitor the disposal process of mechanical and electric meters. Any adverse environmental impact of this component is thus expected to be minimal. The meters enable billing according to real-time consumption, encouraging the consumers to rational use and saving of electricity.

Renewable energy generation

One of the schemes, a large-scale solar PV investment (30 MW_p) is expected to fall under Annex II of Directive 2014/52/EU amending EIA Directive 2011/92/EU, leaving it to the national competent authority to determine according to Annex III of the said Directive whether an environmental impact assessment is required. The scheme is likely, however, to have limited negative environmental impacts and is expected to be mitigated appropriately. If it requires an EIA, the Promoter shall undertake to provide the EIB with a website link to the location of the EIA study for review and publication. If the scheme is screened out, then, according to the EIA Directive, this should also be made public, stating the reasons for not requiring such an assessment. The respective website link will be also sent to the EIB.

Urban Transport

The transport components fall outside the scope of the EIA Directive, except for i) a new rectifier substation at Stadtberger Hof for which the competent authority issued a screening out decision in March 2020 on the basis of limited environmental impacts and ii) phase 1 of the line 5 extension, which was screened in and for which an EIA is being prepared. An EIA study for line 5 was prepared in 2020, and public consultation took place in April and May 2021. A public hearing took place in April 2022 to allow affected persons to discuss the objections raised. It is



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expected that the EIA process will be completed by the end of 2022, and consequently any disbursement against this project component is subject to a satisfactory completion of the EIA process and receipt of the environmental permit or building permit.

The proposed investments in the renewal of the bus and tram fleet as well as infrastructure are expected to have a positive environmental impact. The new rolling stock will enable the Promoter to improve the attractiveness of public transport, which in turn will support a modal shift to public transport, subsequently reducing the detrimental impacts of private vehicle usage. Given the nature of the transport components in the project, no impacts on Natura 2000 or other protected sites are expected.

The new buses that are to be financed under this project will drive on bio-methane gas sourced from feedstock listed in part A of annex IX of the REDII Directive (such as fermented straw and bio waste), similar to the current buses of the promoter, which have been driving on biomethane from waste since 2011. The promoter purchases its biomethane from a certified supplier, and undertakes to continue this practice and drive solely on biomethane that complies with EU Renewable Energy Directives (REDII).

Investments in public transport infrastructure and rolling stock with zero direct GHG emissions, such as the electrified trams financed under this operation, are Paris aligned, in accordance with Annex 2 of the Bank's CBR. Also mobile assets powered solely by advanced biofuels as per Renewable Energy Directive 2018/2001 (RED II), such as those included in the scheme, are Paris aligned. The promoter purchases its biomethane from suppliers that comply with the RED II, as proved by i) Germany's technical inspection institute TÜV certifying that the two biomethane suppliers used by the promoter follow the requirements of the certification system REDcert and demonstrate compliance with the sustainability criteria under the REDII Directive and ii) the German Federal Office for Agriculture and Food certifying to the promoter that the biomethane it is using is RED II compliant. The percentage of GHG savings compared to standard fossil fuel is above 90%. The promoter undertakes to continue using solely biomethane for the bus operations, and to obtain and keep available appropriate certifications.

Water Supply

The main categories of the investments in water supply are:

- Extension and rehabilitation of water abstraction and treatment
- Investments in extending and upgrading the Operation and Maintenance system
- Construction of water network extensions and new house connections
- Rehabilitation of the water network and house connections

The programme is mainly geared toward improving the security and quality of the drinking water supply within a climate vulnerable service area and has positive environmental impacts through the sustainable management of environmentally sensitive areas around the groundwater abstraction zones.

The rehabilitation and extension of the water abstraction and treatment will allow further compliance with the Drinking Water Directive (EU) 2020/21842 and the Water Framework Directive (2000/60/EC). The water supply components are expected to fall outside the scope of the EIA Directive. Some proposed investments are meant to reduce the impact of agriculturally used land owned by the Promoter and increase biodiversity in the water source protection area.

Since 2020, the water company of the Promoter has been certified for the Eco-Management and Audit Scheme (EMAS), a voluntary environmental management instrument. It enables



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organisations to assess, manage and continuously improve their environmental performance. As of 1 July 2021, Augsburg's water supply is climate neutral: using only renewable energy resources, partly from its own hydropower station. The water company of the Promoter aims to further reduce its CO₂ emissions to meet the strategy of the Promoter to become climate-neutral in 2035.

Climate Change

According to Augsburg's climate change adaptation concept² (KASA), the project area is mainly vulnerable to higher intensities and frequencies of extreme rainfall events that are projected to increase due to climate change and have an impact on the groundwater quality of the quaternary layer, as well as to higher temperatures, which are increasing the water demand. In this respect, the project contributes significantly to adaptation to climate change through investments in groundwater abstraction and treatment as well as to keeping water losses low. In addition, the Project contributes to Climate Action Mitigation, which stems from the extension and rehabilitation of the water network and house connections ensuring new, efficient water networks. This also results in a more efficient and sustainable use of water resources.

EIB Carbon Footprint Exercise

The proposed investments will generate around 10 kt CO₂e/year of absolute emissions. In accordance with the Bank's current Carbon Footprint methodology, the total relative effect of the project is a net reduction in CO₂ equivalent emissions by 35 kt CO₂e/year. For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of the project cost.

Social Assessment

The proposed investments will improve access to safe drinking water and sustain high water quality for about 340 000 inhabitants and will result in a more climate resilient and reliable water supply system. This will yield lasting positive social benefits, including improving the living conditions of the inhabitants within the Promoter's service area and thus be beneficial for the public health. The works will also create local employment during construction.

Public Consultation and Stakeholder Engagement

Where relevant, the promoter will be required 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.

EIB Paris Alignment for Counterparties (PATH) Framework

The Promoter is in scope and screened in to the PATH framework, because it is considered high emitting. The counterparty has agreed to develop its decarbonisation plan and publicly disclose a new or updated alignment no later than the first anniversary of the Finance Contract.

Conclusions and Recommendations

The schemes implemented under this programme will have long-term positive impacts on the environment. The purchase of new trams improves the quality of public transport services and

² <https://www.augsburg.de/umwelt-soziales/umwelt/klima-energie/klimawandel-anpassungskonzept#:~:text=Am%2025.,finden%20Sie%20im%20Download%20Bereich.>



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is expected to reduce the adverse impacts of transport on the environment, in particular the local emission of air pollutants, greenhouse gas and noise.

Any disbursement against phase A of the new tramline 5 is subject to a satisfactory completion of the EIA process and submitting the environmental permit or building permit to the Bank for review and publication.

The Promoter will undertake to use only biomethane for the operation of the buses purchased under this operation, and only biomethane that has been produced in full compliance with EU Renewable Energy Directives 2018/2001 and produced from feedstock listed in part A of annex IX. The Promoter will obtain recognised certificates³ that prove compliance with Directive 2018/2001, as amended, and certify a GHG emission saving of at least 65%. The promoter will keep such certificates available in case the Bank asks for it.

The Promoter undertakes to ensure that all programme components will undergo a biodiversity screening in accordance with the EU Habitats and Birds Directives. Should a component have a potential impact on a site of nature conservation, the undertaking is extended to inform the relevant authority and implement the procedures under Articles 6(3) and (4) of the Habitats Directive.

The Promoter undertakes to store and keep any documents updated that may be relevant for the project and which support the compliance with the provisions of EU Habitats and Birds Directives (Form A/B, or equivalent declaration by the competent authority) and shall, upon request, promptly deliver such documents to the Bank.

By rehabilitating, extending, upgrading and increasing the water abstraction and treatment facilities as well as the network and house connections, the project is expected to generate a positive impact on the environment, be more resilient towards climate change and will contribute to the improvement of living conditions of the inhabitants within Augsburg.

All project components covered by the programme will be subject to the Promoter's compliance with the following requirements:

- The Promoter will be required to act according to the provisions of the relevant EU Directives, including EIA Directive 2014/52/EC amending EIA Directive 2011/92/EC, the Habitats (92/43/EEC) and Birds (2009/147/EC) Directives and Drinking Water Directive.
- The Promoter will be required not to allocate Bank funds to project components that require a full EIA until the EIA and/or the necessary nature assessment have been finalised and approved by the relevant competent authority. Once any EIA is available, the promoter will provide the Bank with an electronic copy of the EIA, for publication on the EIB website.
- The Promoter undertakes to provide to the Bank, if requested, any decisions issued by the competent authority that screen out project components and the main reasons for not requiring EIA with reference to the relevant criteria listed in Annex III of the EIA Directive.

Under these conditions, the operation is acceptable for the Bank's financing in Environmental and Social terms.

³ For instance, the certificates that the promoter received over the past years and that were issued by the German Federal Office for Agriculture and Food.