

Luxembourg, 21st December 2022

Environmental and Social Data Sheet

Overview

Project Name: IREN WATER SECTOR GREEN LOAN
 Project Number: 2022 0647
 Country: Italy
 Project Description: Financing of the Promoter's 2022-2026 investments in integrated water services.

EIA required: yes

Project included in Carbon Footprint Exercise¹: yes

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

Environmental and Social Assessment

Environmental Assessment

The Programme concerns the IREN Group ongoing 2022-2026 water and wastewater investment programme for its two "Ambito Territoriale Ottimale (ATO)" service areas in Liguria Region (Genoa and La Spezia service areas). The service area comprises 1 million people living in 99 municipalities located in the Provinces of Genoa and La Spezia. The works to be funded fall within the concession's contractual investment programmes for each Piano d'Ambito and includes a wide variety of investments: upgrades and extensions of water abstraction and treatment facilities, water distribution networks, sewage collection networks and sewage treatment facilities.

The activities of IREN for both ATOs are under the supervision of the conference of mayors (Ente di Governo di Ambito) and the national regulatory authority ("ARERA"). In terms of environmental regulation, the Regional Agency for Environmental Protection of Liguria (ARPA Liguria) is mainly responsible for monitoring the quality of water bodies. The local health authorities (ASL) are responsible for monitoring compliance with the drinking water quality standards. The project will deliver substantial environmental quality improvements in the form of a higher ecological quality of surface and ground water resources and a more rational use of water resources that outweigh the negative impacts, which occur mainly during construction (e.g. noise, dust, and traffic). The project will ensure continued compliance with regional environmental law and the Urban Wastewater Treatment Directive 91/271/EEC in the Promoter's service area.

The investment plan derives from the masterplan of Genoa (Piano di Ambito 2009-2032) and of La Spezia (Piano di Ambito 2016-2033) which are part of the river basin management plan (RBMP). The RBMP was subject to a Strategic Environmental Assessment (SEA). None of the works will be implemented inside or near Natura 2000 or other protected sites.

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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Italy has harmonized its environmental legislation in line with the relevant EU Directives (i.e. Environmental Impact Assessment (EIA) Directive 2014/52/EC amending EIA Directive 2011/92/EC, SEA Directive 2001/42/EC, Habitats Directive 92/43/EEC, and Birds Directive 2009/147/EC). Large parts of the underlying investment programmes will consist of the upgrade and expansion of networks and facilities in urban areas, with the main impacts being those during construction (noise, dust, traffic) and not normally requiring a full EIA. A few project components may need an EIA and a larger number of the project components are likely to fall under Annex II of the EIA Directive 2014/52/EU amending the EIA Directive 2011/92/EU. For the latter case, this means that the decision as to whether an EIA is required is left with the competent authority on the basis of the criteria defined in Annex III of the Directive.

Finally, the project will contribute to Climate Adaptation and Environmental Sustainability by supporting investments that increase resilience to climate related risks and contribute to sustainable use and protection of water and marine resource's objective.

The project has been assessed for Paris alignment and is considered to be aligned with both low carbon and resilience goals set out in the Climate Bank Roadmap.

EIB Carbon Footprint Exercise

The project's main emissions derive from the operation of the new wastewater treatment plants, with absolute emissions estimated at 43,386 tCO₂e/year. The relative emissions are estimated at 19,838 tCO₂e/year, the baseline being computed from the emissions of the currently used wastewater treatment facilities. They represent scope 1 and 2 emissions.

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 project cost'.

EIB Paris Alignment for Counterparties (PATH) Framework

IREN S.p.A. (IREN), as an important Italian multi-utility companies, active in the electricity, gas, district heating, integrated water services management, environmental services and technology services sectors, is in scope and screened in to the EIB Paris alignment for counterparties framework (PATH).

IREN already meets the requirements of the PATH framework with its existing alignment plans, because it meets the EIB requirements on decarbonisation plan for scope 1 and 2 (more than 4.2% reduction per annum) according to the SBTi (Science Based Targets Initiative) and its decarbonisation plan that is publicly available.

Social Assessment, where applicable

By increasing the quality and reliability of water and wastewater collection and treatment services, the project is expected to bring substantial health advantages and environmental quality improvements to the affected population, thereby increasing the quality of life in the project area. Negative social impacts are only temporary during construction (.e.g. occupation of public and private space, safety hazards during construction, traffic, noise) and will be addressed by the promoter as part of the planning for the implementation of each scheme.

Public Consultation and Stakeholder Engagement

The Promoter will be requested 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-making process, where relevant, in accordance with the Aarhus Convention.



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Other Environmental and Social Aspects

During the project's due diligence, the Promoter has demonstrated sound practice with respect to environmental, health and safety management. In addition to procedures to meet regulatory requirements, the Promoter has a comprehensive environmental management system for ensuring proper implementation of new projects and monitoring of ongoing operations. The Promoter and its various subsidiaries have the following certifications: ISO 9001 (Quality Certification), ISO 14001 (Environmental Certification), and ISO 45001 (Occupational Health and Safety Management System).

Conclusions and Recommendations

The project is driven by the requirement to ensure compliance with relevant EU environmental directives and will contribute towards improved climate resilience and emissions reductions. All schemes under the project will be subject to the Promoter's compliance with the following requirements:

1. The Promoter undertakes not to allocate Bank funds to project schemes 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 its Non-Technical Summary (NTS) and full copy of the EIA, for publication on the EIB website.
2. The Promoter shall not commit any EIB funds against any scheme that impacts nature conservation sites, without receiving from the relevant competent authorities the declaration under Art. 6(3) of the Habitats Directive that there are no significant effects and informing the Bank of such declaration having been obtained.
3. The Promoter undertakes to provide to the Bank, if requested, any decision and subsequent justification that screen out project schemes from the requirement of a full EIA as well as the decisions issued by the competent authorities regarding the Habitats and Birds Directives.

Under these conditions, the operation is acceptable for EIB financing in environmental and social terms.