



Luxembourg, MC decision 27.06.2023

Environmental and Social Data Sheet

Overview

Project Name:	UNICREDIT CLIMATE ACTION
Project Number:	2022-1000
Country:	Italy
Project Description:	<i>Operation dedicated to financing energy efficiency and potentially other climate action projects carried out in Italy by individuals, SMEs and Midcaps.</i>
EIA required:	No

Project included in Carbon Footprint Exercise¹: no

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

Environmental and Social Assessment

Environmental Assessment

The operation will support private individuals, SMEs and MidCaps in Italy to invest in Climate Action and Environmental Sustainability projects (100%) focused on energy efficiency renovation of existing buildings and building integrated renewable energy.

This operation intends to bring about environmental benefits by supporting projects that reduce energy consumption, increase the use of renewable energy and help to mitigate climate change. Energy consumption for heating and cooling purposes in the buildings targeted by this project will be reduced, while the use of renewable energy will be increased. Due to the nature of the investment very limited environmental impacts are expected. Temporary nuisance due to installation works (dust, noise) are mitigated through appropriate site organisation and construction management.

The cumulative impact of sub-projects could generate significant environmental benefits in terms of reduction in greenhouse gas emissions.

The projects are not expected to require an Environmental Impact Assessment (EIA). In the unlikely case an EIA is required, the Bank will require the Financial Intermediary (FI) to store and keep updated any documents that may be relevant for the project (including EIA screening decisions, environmental studies, environmental monitoring reports or equivalent documents) supporting the compliance with the EIA Directive and national environmental regulations. The Financial Intermediary shall upon request promptly deliver such documents to the Bank.

For each sub-project 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.

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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Social Assessment

The FI has environmental and social policies in place, which include a Human Rights Policy and a Code of Ethics, rejecting the use of any form of forced or compulsory labour, applicable inter alia to the supply chain of the underlined solar PV projects, in compliance with the applicable provisions of the relevant E&S standards of the Bank (including Standard 8 (Labour) of the EIB E&S Standards).

The FI will be required to undertake reasonable efforts to mitigate risks of forced labour in the supply chain. This will include, on a best effort basis, enhanced due diligence also guided by the FI's human rights commitment, and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub projects.

EIB Paris Alignment for Counterparties (PATH) Framework

UniCredit Group is in scope for the PATH procedure for financial intermediaries. It already publishes dedicated reporting in line with TCFD recommendations (the 2021 report is available at the following link: [UC_TCFD_2021_ENG.pdf \(unicreditgroup.eu\)](https://www.unicreditgroup.eu/~/media/unicreditgroup/2021-TCFD-report-ENG.pdf)). It is hence considered to meet the PATH requirements.

Conclusions and Recommendations

The Bank has assessed the capacity of the Intermediary to on-lend to green eligible projects. The FI has adequate capacity to identify, assess, manage and monitor Environmental, Climate and Social (ECS) impacts and risks of the sub-projects benefiting from EIB support; it is thus in line with the EIB's E&S standards and national legislation. The FI has systems, processes and procedures in place and adequate resources to implement its E&S policy and procedures, which are deemed to be acceptable to manage Environmental, Climate and Social (ECS) risks related to this operation.

The FI will fulfil the following undertakings:

- The FI shall ensure that sub-projects benefiting from EIB support comply with national and EU legislation (where applicable).
- If a scheme falls under Annex I or Annex II of the EIA Directive, the FI shall ensure that the sub-project's promoters comply with the provisions of the EIA Directive as transposed into national law. When relevant, the FI shall deliver to the Bank the EIA screening decisions, relevant EIA summary reports and other relevant environmental documents (environmental studies, environmental monitoring report, etc).
- The FI will be required to undertake, on a best effort basis, enhanced due diligence (supply chain mapping of the PV module manufacturers reaching the level of silicon/polysilicon suppliers and/or declarations by the PV module manufacturers concerning the origin of the components used in the PV modules, per project) also guided by the FI's human rights commitment, and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the sub-projects.

Under these conditions, the project is considered to be acceptable for Bank financing from an environmental and social compliance perspective.