



Luxembourg, 30/04/2024

## Environmental and Social Data Sheet

### Overview

Project Name:	IREN ELECTRIC NETWORK UPGRADE-GREEN LOAN
Project Number:	2023-0625
Country:	ITALY
Project Description:	Financing of 2023-2027 investments in electricity distribution networks
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

The Project encompasses investments in maintenance, renewal and development of the medium and low voltage distribution lines and cables, HV/MV and MV substations and transformers, as well as installation of new smart meters. It includes a large number of electricity distribution schemes providing for approx. 1030 km of new or refurbished MV and LV lines (overhead lines and underground cables), 410 MVA of added transformation capacity, as well as the installation of over 576,000 smart meters.

#### Environmental Assessment

The electricity distribution schemes of the Project do not meet the minimum threshold for EIA screening set out in national legislation (concerning overhead lines and set at > 150 kV voltage level and > 30 km length), as per provision of Article 4(3) of Directive 2014/52/EU amending the EIA Directive 2011/92/EU. Therefore, none of the Project schemes requires an EIA. Environmental analyses, as appropriate, may be carried out for some schemes in the context of the permitting process. All Project schemes will be screened with respect to the need for appropriate assessment under the EU Habitats and Birds Directives. Given that at appraisal there was only limited information on the individual Project schemes and that changes in scope are inherent in operations of this type, the environmental and social due diligence has followed the Project lending approach according to the EIB's procedures and standards. Under such approach, the due diligence focuses on the promoters' capacity and capability to implement the Project in line with EIB environmental and social standards and requirements.

The Project has the potential for some low to moderate environmental and social impacts. These include noise, pollution, dust, and traffic disruption during the construction, and electromagnetic fields (EMF), and nuisance during operation. The Promoter has the capacity and is committed to implement the necessary mitigating measures at both design and construction stages. These typically include special construction procedures to minimize damages and disturbance, construction of facilities to contain oil leaking from transformers, soil restoration, traffic management measures, appropriate waste collection procedures and other.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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In any case, the fulfilment of all requirements established by the European and national legislation will be ensured in the context of the permitting processes.

The Promoter is an experienced distribution network operator in north-western Italy, with an in-house team responsible for the environmental and social aspects of projects. The environmental management capacity of the Promoter is also reflected by the ISO-14001 standard certification obtained.

Based on the above elements, the Promoter is deemed to have the experience and the capacity to manage the Project in line with EIB environmental and social standards and requirements.

The Project has been assessed for its Paris alignment and it is considered to be aligned both against low carbon and resilience goals in line with the policies set out in the Climate Bank Roadmap.

Based on the EU Taxonomy Regulation, transmission and distribution infrastructure or equipment of the interconnected European system are considered to make a substantial contribution to climate mitigation.

Moreover, the financing of this Project meets the Bank's energy lending policies (ELP) on securing the enabling infrastructure and on innovative technologies and new types of energy infrastructure, and contributes to the Bank's lending priority objectives for Climate Action and Environmental Sustainability (CA&ES).

The Project also aligns with the REPowerEU objectives. It aims to maintain or increase the quality of service of the public services, and as such it is also eligible under Article 309 of the TFEU, point (c) projects of common interest.

The absolute emissions of CO<sub>2e</sub> resulting from the Project amount to 3 kT CO<sub>2</sub>/year, the relative emissions reach 1 kT, both below the Bank's methodology thresholds.

### **EIB Paris Alignment for Counterparties (PATH) Framework**

- The counterparty IREN S.p.A. (as head of group of the Beneficiary IRETI S.p.A.) is in scope and screened into the PATH framework, because it is considered high emitting.
- The counterparty already meets the requirements of the EIB PATH framework with its existing alignment plans.

### **Public Consultation and Stakeholder Engagement**

Public consultations, when necessary, are organised by the competent authority, as part of the permitting process.



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## Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the Promoter including its organisation, processes and procedures, and deemed them to be acceptable to implement this operation in compliance with the EIB's Environmental and Social Standards.

Based on the information available and with appropriate conditions and monitoring, the Project is expected to be acceptable for EIB financing in environmental and social terms:

The Promoter undertakes:

- to ensure that all Project schemes 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.
- to store and keep updated any documents that may be relevant for the Project and which support the compliance with the provisions under the EU Habitats and Birds Directives and shall, upon request, promptly deliver such documents to the Bank.
- not to allocate the Bank's funds to Project schemes that require an Environmental Impact Assessment (EIA)
- not to invest in incompatible activities, in line with the PATH framework.