

Luxembourg, 28.05.2024

Environmental and Social Data Sheet¹

Overview

Project Name:	UNICREDIT RISK SHARING CLIMATE ACTION
Project Number:	2023-0377
Country:	ITALY
Project Description:	Delinked risk sharing with Unicredit, on an existing portfolio of Project Finance loans in the renewable energy and infrastructure sectors. With the resources made available by the Bank, Unicredit will grant new loans to eligible renewable energy transactions across EU countries.
Invest EU sustainability proofing required:	No (no detailed proofing by the EIB required for indirect operations)
EIA required:	Some projects may require an EIA
Project included in Carbon Footprint Exercise ² :	no

Environmental and Social Assessment

The operation consists of a portfolio of new renewable energy schemes (onshore wind and solar PV) in Italy and other EU countries, in return for EIB risk sharing in an existing portfolio of UNICREDIT.

The operation will contribute to EU energy objectives by supporting investments in new renewable energy generation capacity. The investments will generate environmental benefits in terms of reduction of air pollutants and GHG emissions, ultimately helping to mitigate climate change.

Environmental Assessment

Some of the projects are expected to fall under Annex II of the Environmental Impact Assessment ("EIA") Directive. For projects that require an EIA, 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.

In case any of the projects fall under the recently approved Italian legislation that facilitates and accelerates the approval procedures for renewable energy ("Procedura Abilitativa Semplificata"), the FI will verify their compliance with the above procedures. This procedure entails identification of suitable areas, verification of absence of environmental and other constraints and approval by the municipality.

Social Assessment

All projects need to comply with the Bank's requirements, including applicable provisions of the relevant labour standard of the Bank. The FI will be required to undertake best efforts to mitigate risks

¹ The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to the Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary.

² 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.

Luxembourg, 28.05.2024

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 policy, and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the projects.

Other Environmental and Social Aspects

All projects under this operation undergo due diligence by the FI, including with regards to environmental and social matters. The FI is well known to the Bank through two recent operations targeting the same sectors and technologies and is familiar with the Bank's Environmental and Social requirements. Additionally, it has substantial experience in non-recourse financing of renewable energy projects. The FI applies a comprehensive ESG policy, including reporting and monitoring. It has policies and procedures in place to assess environmental and social (E&S) risks in the operations which it finances and has a dedicated team to assess and monitor E&S matters.

Most of the schemes under this operation are expected to be operations with a project cost above EUR 50m and subject to EIB ex ante due diligence and approval on Environmental and social matters.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty is in scope of the PATH framework, screened in and already compliant as it publicly reports in line with TCFD recommendations.

Conclusions and Recommendations

The Bank has reviewed the E&S risks associated with the operation as well as the E&S capacity of the FI. The FI has adequate capacity to identify, assess, manage, and monitor Environmental, Climate and Social impacts and risks of the projects benefiting from EIB support, so it is in line with EIB E&S standards and national legislation.

The FI will contractually fulfil the following conditions and undertakings:

- For the projects eligible for EIB financing the FI shall require that they be implemented in line with the applicable national and EU legislation.
- If a scheme falls under Annex I or Annex II of the EIA Directive, the FI shall ensure that the 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 report and other relevant environmental documents.
- Projects located inside Natura 2000 sites and projects with significant negative impacts on areas with high biodiversity value shall not be eligible.
- The FI will verify that the projects which fall under the legislation for the acceleration of renewable energy (Decreto Semplificazioni - Decreto Legge 13/2023) have been authorised in accordance with the relevant procedures.
- The FI will ensure that the projects do not imply any reduction / obstacle to food production on the agricultural land concerned.
- The FI will be required to undertake, on a reasonable 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 projects.

Under these conditions, the operation is acceptable to the Bank in E&S terms.