

Luxembourg, 28 August 2024

Environmental and Social Data Sheet

Overview

Project Name:	ALBA SOLAR PV
Project Number:	2024-0223
Country:	Italy
Project Description:	<i>The project consists of the development, construction and operation of a portfolio of solar photovoltaic power plants across Italy for a total of 374 MWp. It consists of approximately 14 solar PV plants with capacities in the range of ca. 5-80 MWp indicatively.</i>
EIA required:	Yes, some of the underlying schemes 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

The present operation concerns an Investment Programme (IP) for the financing of 14 utility-scale solar PV plants in Italy, including the ancillary infrastructure for the interconnection to the grid, for a total capacity of ca. 374 MWp. The individual plant sizes range from c. 5 to c. 80 MWp. The schemes are expected to enter into commercial operation during the period 2025-2027. The PV plants will be installed at geographically dispersed locations throughout Italy, in Campania, Puglia, Sardegna, Sicilia, Piemonte, Toscana and Lazio.

Environmental Assessment

Due to their technical characteristics, the solar PV plants fall under Annex II of Directive 2014/52/EU amending (Environmental Impact Assessment) 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. As per the current information, all the transmission lines for the interconnection of the plants to the electricity grid are underground and do not fall under the scope of the EIA Directive. The lines connect to the existing network through existing cabins (in particular for medium voltage connections), the extension of existing substations and in one case to a new substation that is yet to be built by the transmission system operator and which is along an existing high voltage line.

At the time of appraisal, 10 projects out of 14 are subject to an EIA process, covering both the PV plants and their transmission lines. The EIA processes have been concluded for three out of the ten projects that are subject to an EIA, while the other 7 projects are at various stages of the process. Regarding the other four projects: two projects were screened out since they were below 20 MW and located in former quarries (screened-out based on thresholds), one project

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.



Luxembourg, 28 August 2024

has been screened out following a case-by-case examination, and the screening process is ongoing for the last project.

The environmental and social due diligence has followed the investment programme lending approach according to the EIB's procedures and standards, focusing on the promoter's capacity and capability to implement the programme in line with the EIB environmental and social requirements. The Bank reviewed several Environmental Impact Assessment (EIA) reports of solar PV plants and associated infrastructure under this programme to cover the work conducted by the two co-developers (which have initiated the process for some of the schemes) and the promoter, and found them to be satisfactory. The following paragraphs summarise the impacts and mitigation measures deriving from the review of the respective E&S documentation and from projects in this sector, deploying similar technologies.

Based on the documentation reviewed and given the nature and technical characteristics of the schemes, the solar PV plants and the underground transmission lines are expected to generate limited impacts during both construction and operation phases. Solar PV plants, taking also into account cumulative impacts, entail negative impacts on fauna, landscape, and soil contamination or erosion. During the construction phase, main impacts are associated with the presence of machinery, vehicles, construction workers, and the erection of the solar PV related infrastructure. The impacts relate to increase of pollutant emissions, dust and noise due to construction related activities, increased traffic in the surrounding areas, soil erosion due to the loss of vegetal cover, visual impacts due to the construction operations and loss or fragmentation of habitats. During the operation phase, the main impacts are related to loss and fragmentation of habitats, barrier effects and visual impacts.

Overall mitigation measures include, amongst others, construction procedures to minimize damages and disturbance (e.g. measures to minimize dust), measures to reduce potential soil and water contamination (e.g. use of anti-pollution kits in case of accidental spills), standard waste management procedures (e.g. area for the storage and differentiation of waste material), measures to reduce impact on archaeological patrimony and on landscape (e.g. shielding of the fence with natural vegetation), measures to protect the flora and the fauna (e.g. gaps between the ground floor and the fence itself to limit the barrier effect), etc.

None of the PV plants and associated infrastructure of the investment programme falls in Natura 2000 sites. For the projects more likely to have an effect on Natura 2000 sites, the promoter prepared a specific report analysing the potential impact of the project on the corresponding site(s) taking into account the conservation plans and/or conservation objectives available at that time (screening step in the frame of the Valutazione di Incidenza (VincA) process – i.e. Appropriate Assessment process under the transposed legislation), concluding that no significant impact are expected. For the other projects, the EIA reports include a section on the potential impact of the project on the Natura 2000 sites, concluding that the respective project has no effect thereon. For the three projects subject to an EIA process that has been concluded, the competent authorities confirmed that the project does not interfere with the Natura 2000 network or confirmed the absence of significant impact.

Based on the review of the aforementioned EIA documentation and the available information provided by the promoter on their policies/procedures/standard practices, it was concluded that the promoter has the capacity to implement and operate the programme in line with the Bank's requirements and is committed to implement the necessary measures as envisaged in the E&S studies and in the respective permits.

The investment programme substantially contributes to the climate change mitigation objective. The programme has been assessed for Paris alignment and is considered to be aligned both for low carbon and resilience goals against the policies set out in the Climate Bank Roadmap and the Bank's Energy Lending Policy.



Luxembourg, 28 August 2024

EIB Carbon Footprint Exercise

The direct CO₂ equivalent emissions of this investment programme are negligible.

In accordance with the Bank's current Carbon Footprint methodology it is calculated that based on the avoidance of electricity generation from a combination of existing and new power plants in Italy (combined margin for intermittent electricity generation), the total relative effect of the programme is a net reduction in CO₂ equivalent emissions by 217 kt CO₂e/yr.

For the annual accounting purposes of the EIB Carbon Footprint, the programme 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

The counterparty GreenIT is in scope and screened out of the PATH framework because it is not considered high emitting nor highly vulnerability.

Social Assessment, where applicable

The promoter engages with landowners in order to secure voluntary agreements for the land plots required for all the programme-related infrastructure. The agreements usually entail land leases or land acquisitions. If a voluntary agreement cannot be reached, the promoter intends to require expropriation, in line with respective national legislation.

The promoter proposes co-location of agricultural activities and solar PV plants for some of the schemes (agrivoltaic plants). The Ministry of Ecological Transition issued guidelines related to agrivoltaic plants in 2022. As per its EIA report, one of the schemes already complies with such guidelines. For the other agrivoltaic schemes that were developed before the release of the guidelines, the promoter intends to review the design in view of complying with those guidelines to the extent possible.

Public reports are pointing out the possibility of use of forced labour in the supply chain of solar PV panels. The promoter has its own code of ethics and also adheres the overall ESG policies of ENI, which includes a Respect for Human Rights policy referring to international guidelines and standards. It rejects any form of forced or compulsory labour, includes a framework for human rights due diligence and has a specific Supplier Code of Conduct. The promoter also incorporates additional anti-corruption, corporate social responsibility and human rights related provisions in its contracts with suppliers. The promoter applies a suppliers' qualification system, which includes the review of suppliers ESG documentation. For the first 42 MWp that are ready-to-build, the promoter has performed a supply chain mapping exercise with the selected supplier, concluding that no factories identified in the supply chains are located in regions where the risk of forced labour is allegedly higher.

The promoter shall make reasonable efforts to assess and address the labour risks associated with the solar PV panels used in the project, including throughout the supply chain, as required by the EIB E&S Standards. The due diligences to be performed by the promoter (including the supply chain mappings) will be reported to and reviewed by the Bank.

Public Consultation and Stakeholder Engagement

Public consultation has been or will be conducted by the relevant authorities in the context of the EIA processes for the programme schemes. The promoter has not conducted further stakeholder engagement activities.



Luxembourg, 28 August 2024

Other Environmental and Social Aspects

The promoter is a joint venture created in 2021 between ENI Plenitude (51%) and CDP Equity (49%). It currently owns and operates 4 onshore wind farms (c. 110 MW). The promoter relies also on services agreement with its shareholders in order to benefit from the whole range of services needed to develop, build, manage and operate renewable energy plants. ENI Plenitude, subsidiary of ENI (one of the largest integrated energy groups in Italy and Europe, well-known to the Bank through previous operations covering several projects in refining, electricity and oil and gas and operations in the RE sector in Italy), has significant experience in the renewable energy sector, having more than 3GW of installed capacity under management.

The promoter can rely on the adequate environmental capacity of its shareholders to appropriately manage this project. The promoter applies the HSE management system of ENI Plenitude, which is certified according to ISO 45001.

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the promoter, including its organisation, processes and procedures, and considers them to be satisfactory. Based on the information available and with appropriate conditions and monitoring, the programme is expected to be acceptable in environmental and social terms for the Bank's financing:

- The promoter undertakes to ensure that programme schemes that may have an effect on a Natura 2000 site will undergo an analysis of their potential effects and, where applicable, that an Appropriate Assessment in line with the Habitats Directive is carried out.
- Schemes with significant negative impacts on a nature conservation site shall not be eligible.
- The promoter undertakes not to allocate the Bank's funds to programme schemes that require an Environmental Impact Assessment (EIA) until the EIA and/or the biodiversity assessment have been finalised and approved or endorsed by the relevant competent authorities. For schemes requiring an EIA and/or an Appropriate Assessment (AA), an electronic copy of the EIA/AA reports must be sent to the Bank for publication at its Public Register as soon as each scheme is approved by the competent authority.
- The promoter shall store and keep up to date all documents relevant for the programme supporting the compliance with the provisions of EU environmental legislation, including Habitats and Birds Directives, permits and environmental and social approvals and, where required, social studies, and shall promptly upon request deliver such documents to the EIB.
- The promoter will be required to make reasonable efforts to carry out appropriate due diligence throughout its supply chains, with the aim of preventing the use of forced labour in the supply chains of the solar panels that will be used for this project. The outcome will be reported to and reviewed by the Bank.
- The project shall comply with Bank's E&S Standards, which foresees zero tolerance for the use of forced labour.