

Luxembourg, 19 June 2025

Environmental and Social Data Sheet

Overview

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| Project Name: | ITALIAN UTILITIES LENDING ENVELOPE |
| Project Number: | 2024-0864 |
| Country: | Italy |
| Project Description: | Financing of utilities in Italy under a Lending Envelope. Sectors include waterworks (water and wastewater), electricity distribution, district heating, energy efficiency measures (including public lighting), renewable energy generation and waste collection/treatment facilities. |
| EIA required: | yes – Some schemes may require an EIA under Annex I or Annex II (“screened in”) of the EIA Directive. This will be assessed at the level of each sub-operation under the Lending Envelope. |
| Project included in Carbon Footprint Exercise ¹ : | no |

Environmental and Social Assessment

Environmental Assessment

The operation is structured as a Lending Envelope (LE) that will allow the funding of the investment programmes of different Italian small-medium sized utilities, but also medium/large multiregional players, in the environmental and the energy sectors, including:

1. Water treatment and distribution networks.
2. Wastewater collection and treatment facilities
3. Waste collection, recycling, treatment and disposal facilities
4. District heating facilities
5. Electricity distribution networks
6. Energy efficiency measures, including public lighting for energy savings purposes, and
7. Renewable energy generation facilities.

Sub-operations will be appraised separately. The below describes the general approach at sector level.

Investments in water and wastewater infrastructure will contribute to ensuring compliance with key EU directives in the water sector, notably the Drinking Water Directive 98/83/EC, the Urban Waste Water Treatment Directive (91/271/EEC or 2024/3019/EU, as applicable) and the Water Framework Directive 2000/60/EC (i.e. WFD). The investments are expected to bring substantial environmental quality improvements, notably in terms of higher ecological quality of surface and groundwater resources, as well as a more rational use of water resources, thereby increasing the resilience to potential effects of climate change. All water and wastewater investments to be considered under the programme loan will be reviewed by the local authority in the relevant service area, and approved by the national economic regulator for electricity, gas, and integrated water services (i.e. ARERA). Furthermore, they form part of a “Piano d’Ambito” (investment plan), which is normally subject to a Strategic Environmental Assessment (SEA).

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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The circular economy/ solid waste management components under this programme will increase the levels of recycling of materials and bio-waste through separate collection and recovery from residual waste, ensuring compliance with the EU Circular Economy Package and national regulations and targets. Some projects may also upgrade and improve performance of existing waste treatment and disposal facilities. The projects will contribute to increase recycling and reduction of waste disposal, and reduction of GHG emissions and climate change impacts from current operations.

The investments in the energy sector are expected to contribute to Italy's and the EU's long-term climate and energy objectives, also through the support of critical infrastructures for the long-term decarbonisation of the EU economy. The LE is also expected to contribute to an efficient use of energy and energy savings. The electricity distribution components under this LE are expected to be Medium Voltage and Low Voltage investments, which are listed under neither Annex I nor Annex II of the EIA Directive. They could, however, be subject to environmental assessments, as appropriate, in the process for the authorisation to build and operate. Some of the district heating, energy efficiency or renewable energy generation components may fall under Annex II of the EIA Directive thus implying the need for a review by the competent authorities with due regard to the necessity for an Environmental Impact Assessment. 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 utilities 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.

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.

The requirement for an EIA, an SEA and/or appropriate assessments will be assessed on a case-by-case basis. The promoters will be required to ensure compliance with national and European environmental legislation and the Bank's environmental and social standards.

Overall, the sub-projects under the LE are not expected to have any significant negative environmental impact.

Climate Assessment

The contribution of the investments to the Bank's objective of Climate Action will be assessed for each sub-operation. A share of the sub-projects under this LE is expected to contribute significantly to climate action (both mitigation and adaptation) and environmental sustainability objectives.

EIB Paris Alignment for Counterparties (PATH) Framework

Alignment with the EIB PATH framework will be examined at the time of appraisal of each individual sub-operation.

Social Assessment, where applicable

The investments under the LE are expected to bring important lasting benefits to the population, by increasing the quality and reliability of water, wastewater, solid waste and energy supply services. Potential social impacts include the possible disruption of services and traffic, noise and temporary occupation of public and private space, and safety hazards during construction



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only, common for this type of projects in urban environments, and will be addressed as part of the planning for each sub-operation.

All investments need to comply with the Bank's requirements, including applicable provisions of the relevant labour standard of the Bank. The borrowers will be required to undertake best 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 borrowers' human rights policy, and ensuring that appropriate contractual provisions are cascaded to contractors/suppliers of the projects.

Public Consultation and Stakeholder Engagement

The Promoters will have to ensure compliance with national and European environmental regulations and facilitate the access by the public to environmentally relevant information in accordance with the Bank's Transparency Policy.

Other Environmental and Social Aspects

n/a

Conclusions and Recommendations

The sub-projects are expected to have predominantly net positive environmental and social effects. The Bank will appraise the capacity of the promoter of each sub-operation to ensure compliance with national and European environmental legislation and the EIB environmental and social standards and require the promoters to act according to the provisions of the aforementioned laws. The beneficiaries will be required to comply with the Bank's environmental and social standards, as defined in the finance contracts to be signed with the EIB.

Based on the above considerations the LE is acceptable for EIB financing in environmental and social terms.