

Luxembourg, 27/08/2025

Environmental and Social Data Sheet

Overview

Project Name:	GERMAN ENERGY TRANSITION LENDING ENVELOPE
Project Number:	2024-0637
Country:	Germany
Project Description:	<i>The Lending Envelope is dedicated to co-finance investments of regional municipal utilities in Germany in their electricity distribution and transmission networks, co-generation facilities, their district heating networks and heat supply facilities.</i>
EIA required:	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 suboperation under the lending envelope.
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

This Lending Envelope (LE – "the Project") aims to co-finance investments of sub-operations, which would concern parts of promoters' multi-annual, rolling investment programmes, with a focus on infrastructure investments within the promoters' energy sector business units and their subsidiaries. Such investment programmes involve commonly and to a large extent upgrading, renovating and extending the low-voltage (LV) electricity distribution and medium-voltage (MV) transmission networks, but could also include investments in district heating components (including eligible heat supply, cogeneration and storage). The investments should normally comprise standard mature, reliable and widely used technologies in the relevant sectors.

Environmental Assessment

Project components could fall under Annex II of the EIA Directive (2014/52/EU amending the EIA Directive 2011/92/EU), which requires the competent national authority to determine the need for an EIA. Electricity transmission networks with a voltage level below 110 kV are exempted from environmental screening decisions, according to national legislation. Substations schemes, either in the form of new construction, extension or refurbishment, do not fall under either Annex I or II of the EIA Directive. According to national law, EIA screening is not required for the construction, refurbishment or extension of substations. The biodiversity assessment under the EU Habitats and Birds Directives, where required, could either be part of the EIA process, or in case of that investments are exempted from undertaking an EIA but have expected significant impacts to biodiversity, would be a separate process.

None of the investments of sub-operations are however expected to be subject to an EIA process. Nonetheless conditions should be included into finance contracts for sub-operations requiring that promoters complete, where legally applicable, any EIA or nature conservation area impact assessment and receive approval from the competent authorities prior to allocating the Bank's funds to the investments, and that copies of the relevant documents, including the consents, are provided to the Bank.

The investments of sub-operations have the potential for some low to moderate environmental and social impacts. These include noise, vibration, dust, and traffic disruption during the construction, and electromagnetic fields (EMF) and nuisance during operation. Appropriate mitigation measures will have to be implemented to minimise impacts during construction and operation. Particular attention during the assessment of sub-operations will have to be paid to whether permits for the investments comprise conditions to contain the effect of noise,

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, 27/08/2025

vibrations and traffic disruption during the construction works. Typical mitigation measures include special construction procedures to minimize damages, construction of facilities to contain oil leaking from transformers, special waste collection procedures and other.

Carbon emissions will have to be calculated at sub-operation level. Most likely such carbon emissions will fall below the thresholds defined for the Bank's Carbon Footprint Exercise, due to the fundamental characteristics of the investments, such as that the source of CO₂ equivalent (CO₂e) emissions would be network losses associated with new or refurbished network equipment.

Physical climate change risks i.e. mainly extreme rainfall events, flooding and storms and high winds, relevant to the areas of installations of investments at sub-operation level, would be commonly, according to industry standards and good engineering practice, be mitigated in the design stages. This would have to be assessed at sub-operation level.

The LE is deemed to be aligned with a low carbon and resilient pathway, consistent with the Paris Agreement. The promoter of each sub-operation supported will be screened using the EIB's Paris Alignment for Counterparties (PATH) Framework methodology during the appraisal of a sub-operation.

Social Assessment, where applicable

The areas of investments of sub/operations are expected to be mainly in densely populated area, which are already heavily shaped by human activities. Hence, the operation of such investments is unlikely to result in significant changes in the landscape or the built cultural environment, nor should these investments have significant adverse effects on human health, comfort or living conditions. Further, expropriation or resettlement is very unlikely to occur for investments to be undertaken by a sub-operation. In case the entire estimated volume of the LE would be deployed, about ~18000 person-years of temporary employment would be created during implementation. That could also create 450 full time equivalent (FTE) posts for the operational phases of the investments. The employment conditions and the level of inclusion will be in line with national regulations.

Public Consultation and Stakeholder Engagement

Where relevant and applicable, the promoter of sub-operations will facilitate public access to environmental information and public consultation during the permitting processes in compliance with national and European environmental legislation.

Other Environmental and Social Aspects

The promoters' capacity regarding Environmental, Social and Climate management, governance and monitoring systems will be further assessed at sub-operation level.

Conclusions and Recommendations

During appraisal of sub-operations, it will be assessed that the investments comply with national and European environmental legislation (where applicable) and are aligned with the Bank's Environmental and Social standards.

The sub-operations' finance contracts should include (where applicable) appropriate conditions ensuring that the investments of the sub-operation comply with national and European environmental legislation (where applicable).

Such conditions could comprise:

- The borrower shall not commit any EIB funds against schemes that require an EIA or biodiversity assessment according to EU and national law without, prior to commitment, receiving consent from the competent authority, and the Non-Technical Summary of the EIA having been made available to the public.



Luxembourg, 27/08/2025

- The borrower shall store and maintain updated the relevant documents (including environmental studies related to the EIA, the Non-Technical Summaries of the EIAs, and Nature/Biodiversity Assessments or equivalent documents supporting the compliance with the EU Habitats and Birds Directives and the absence of significant impact– Form A or equivalents) to be provided to the Bank upon request. In case the EIB requires such documentation, the borrower shall provide all documents requested promptly.
- The borrower undertakes to consider and implement conditions expressed in any screening-out decision or EIA consent granted by the competent authority for nature and environment.
- All the biomass sourced as a fuel for the project needs to align with the EU biomass sustainability criteria principles as defined in the Directive EU 2018/2001 (Article 29) and with the EU Timber Regulation (EU/995/2010).
- Wood supply chain and the underlying forest management practices are to be certified, or if not yet certified, they have to be aligned with the standards so as to be certifiable by internationally accredited certification schemes (e.g. FSC or PEFC).
- The borrower undertakes that no EIB funds will be allocated to assets connecting generation with lifecycle GHG emissions above 100 gCO₂e/kWh.
- The Finance Contract has to include appropriate contractual undertakings on not investing in incompatible activities, in line with the PATH framework.

A separate ESDS will be published for each sub-operation falling under this LE.

In view of the above findings and conditions, the lending envelope is deemed satisfactory from an environmental and social compliance perspective