

Environmental and Social Data Sheet

Overview

Project Name: **HAMBURG ELECTRICITY NETWORK INVESTMENT PROGRAM**
 Project Number: **2024-0448**
 Country: **Germany**
 Project Description: ***Extension and modernisation of the City of Hamburg's municipal electricity distribution network in the years 2025 to 2029***

EIA required: **no**

Project included in Carbon Footprint Exercise¹: **yes**

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

The Project encompasses investments in development, refurbishment and renewal of the high, medium and low voltage assets (HV, MV, and LV, respectively) of the electricity distribution network serving the city and federal state of Hamburg, Germany. It includes a large number of schemes providing for approx. 1 450 km of new or refurbished HV (110 kV), MV and LV lines (underground cables, apart of 22 km refurbished HV overhead line), 630 new or refurbished primary and secondary substations with 840 MVA added transformation capacity, 1 100 extended of refurbished distribution transformers, as well as other minor components for network automation and digitalization.

Environmental Assessment

The Project comprises substations and underground cables, either in the form of new construction, extension, or refurbishment, which do not fall under either Annex I or II of the EIA Directive and, according to national law, do not need to undergo an EIA screening. Several short (<15 km) segments of 110 kV overhead lines do fall under Annex II of the EIA Directive and the competent authority has to determine the requirement of an EIA. At this point, the Promoter does not expect any such schemes to require an EIA.

Based on information provided by the Promoter, some refurbishment of grid facilities, to be determined usually one year ahead of implementation, may be located within Natura 2000 areas². In case Natura 2000 areas are affected and any significant impact to these areas may be expected, the competent authority will be consulted and the assessments required under art. 6(3) and art. 6(4) of Habitats Directive 92/43/EEC will be carried out as part of the approval process.

The Project has 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 be implemented to minimise impacts during construction and operation. Particular attention

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.

² There are currently 21 Natura 2000 sites in Hamburg.



will be paid to contain the effect of noise, 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.

The Promoter has an environmental management plan and is ISO 14001 certified since 2013. The Promoter manages, monitors and mitigates the effects on the environment through adequate processes and documents such as the environment, health and safety handbook, the waste management plan, including material recovery and recycling, and technical specifications (technical clauses) and requirements for subcontractors in general.

Physical climate change risks relevant to the area of installation of the Project schemes, i.e. mainly extreme rainfall events, storms, increase in average temperatures and heat waves, are mitigated in the design stage, by adapting - as necessary - the design or the location of the equipment.

The operation has been assessed for its Paris alignment. It is considered to be aligned for low carbon and resilience, in line with the policies set out in the Climate Bank Roadmap and with the EIB's Energy Lending Policy.

EIB Carbon Footprint Exercise

The absolute emissions of CO2 equivalent (CO2e) resulting from the Project³ are estimated to be 7.0 kt of CO2e/year. The main source of CO2 emissions for the Project is network losses associated with new or refurbished network equipment. These absolute emissions are offset by the reduction in network losses enabled by the Project in comparison to the do-nothing alternative. Therefore, at completion, the Project is expected to enable a saving of circa -49.9 kt of CO2e/year.

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

As a public utility, the counterparty is in scope. Since the counterparty has no activities in high emitting sectors or incompatible activities, being focused only on electricity distribution, it is screened out for mitigation. However, the counterparty is screened in for high vulnerability with respect to adaptation to physical climate change risks, due to physical combined anchor score of 3.10.

The promoter has shared an independent assessment report of physical climate risk to company activities, with key recommendations for adaptation. This demonstrates the counterparty's capacity to manage physical risk in their operations. Following the Bank's assessment, the counterparty meets PATH framework resilience requirements.

The counterparty is deemed meeting the PATH framework on resilience to physical climate change risks. No further action is required from the counterparty.

Public Consultation and Stakeholder Engagement

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

Other Environmental and Social Aspects

The Promoter is an experienced distribution network operator in Germany, with in-house teams responsible for the environmental and social aspects. The environmental and social

³ GHG emissions of the Project have been calculated according to the Bank's Carbon Footprint Methodologies (Version 11.3 of January 2023).



management capacity of the Promoter is reflected by the ISO-14001 and ISO-50001 standard certifications obtained. The environmental and social due diligence focussed on the Promoter's capacity and capability to implement the investments included in the Project in line with EIB environmental and social standards and requirements. Based on this assessment, the environmental capacity of the Promoter is deemed to be good; they have the experience and the capacity to appropriately manage the planned investments.

Conclusions and Recommendations

Considering the above the Promoter's capacity to implement this operation in compliance with the EIB's Environmental and Social Standards is deemed acceptable. Based on the information available and with appropriate conditions and monitoring, the Project is acceptable for EIB financing in environmental and social terms.

The Borrower/Promoter undertakes:

- to ensure that potential impacts to sites of nature conservation will be identified (for all program schemes) and should they be likely to be significant, the Promoter undertakes to engage with 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 any Project schemes that require an Environmental Impact Assessment (EIA) and/or Appropriate Assessment (AA) until the EIA and/or the AA have been finalised to the Bank's satisfaction, including public consultations, and approved by the competent authority. For any schemes requiring an EIA and/or an AA, an electronic copy of the relevant documentation, including EIA/AA reports, consultation documents, EIA approvals, must be sent to the Bank as soon as each scheme is approved by the competent authority.
- not to allocate funds from the EIB loan to components dedicated to the direct connection of generation sources that emit above 100 g/CO₂ per kWh.