



European Investment Bank (EIB)

Luxembourg, 19<sup>th</sup> July 2018

## Environmental and Social Completion Sheet (ESCS)

### Overview

Project Name:	NORTHERN GAS NETWORKS 2014-17 (RIIO-1 PHASE I)
Project Number:	2014-0109
Country:	United Kingdom
Project Description:	Investments to upgrade and extend Northern Gas Networks' gas distribution infrastructure during 2014-17.

### Summary of Environmental and Social Assessment at Completion

#### **EIB notes the following key Environmental and Social outcomes at Project Completion.**

The Project was a typical gas distribution project in the EU applying proven technologies. The investments were split into four categories: the replacement of metallic pipes by polyethylene pipes; the extension of the network to connect more customers, including new fuel poor customers; the upgrading of obsolete above ground equipment; and the installation of network information systems. The main environmental impacts occurred during construction, were temporary in nature and mitigated according to established practices in the sector.

The Project components fell under Annex II Directive 2011/92/EU, leaving it to the competent authority to decide on the need for a full Environmental Impact Assessment (EIA). At appraisal, none of the Project schemes was expected to be located in sensitive areas; nevertheless, the Bank imposed an environmental undertaking to the Promoter, i.e. the Promoter undertook to provide to the Bank, if requested, any decisions that screen-out Project components from undertaking a full EIA.

At completion, the Promoter confirmed that none of the components required a full EIA and given the fact that there were no changes in the scope of the Project, the undertaking is considered fulfilled.

The main environmental benefits of the Project are the reduction of methane leakages and the substitution of more expensive and polluting fuel sources by gas. According to the Promoter, the methane emissions have been reduced by ca. 9% from the low and medium pressure network due to the implementation of the pipe replacement component of the Project.

The Promoter operates an integrated Health, Safety and Environment Management System, certified by ISO 14001 and OHSAS 18001. Its key environmental performance indicators include diversion of excavated spoil from landfill and use of recycled aggregate in preference to virgin aggregate. The reduction of the company's carbon footprint is another key objective, via introduction of energy savings initiatives, purchase of high efficiency fleet vehicles, and examination of the potential for RE electricity generation on offtake and above ground installation sites.



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In June 2016, the Information Commissioners Office confirmed that the Promoter is classed as a “Public Authority” under the Environmental Information Regulations 2004. The Promoter has received a number of requests, falling under the regulations, since the decision was announced. A process has been established and the Promoter’s Extranet updated to provide a quick, easy guide to the company’s environmental information.

**Summary opinion of Environmental and Social aspects at completion:**

EIB is of the opinion based on reports from the Promoter during construction and at Project’s completion stage that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.