

Environmental and Social Data Sheet

Overview

Project Name:	<i>A2A ELECTRICITY NETWORKS AND AUTOMATION</i>
Project Number:	<i>2017-0439</i>
Country:	<i>Italy</i>
Project Description:	The investment Programme to be financed by the Bank is part of the Promoter's on-going investment activities to extend and refurbish the electricity distribution networks.
EIA required:	maybe
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 project is an investment Programme for the reinforcement and modernization of the Promoter's distribution networks in Italy, in the cities of Milan and Brescia and their outskirts, during the period 2020-2024. The Programme focus is the refurbishment of MV and LV networks (approx. 350 km of underground cables, 12 primary substations and approx. 5,000 secondary substations). The Programme includes also new assets in MV and LV networks (approx. 380 km of underground cables, 4 new primary substations and 200 new secondary substations) and network automation investments. The Programme will enable the promoter to improve quality of service, to cater for demand growth and connect new users. The Promoter is Unareti S.p.A., the distribution system operator in the above mentioned areas, a fully owned subsidiary of A2A.

Environmental Assessment

The characteristics of the schemes under the scope of the Programme are such that they are listed neither under Annex I nor Annex II of the EIA Directive and most of them do not meet the minimum thresholds for EIA screening set out in the Italian legislation.

Environmental analyses, e.g. landscape, architectural and archaeological assessment as appropriate, as well as consultation of the public have been/shall be carried out for some schemes in the context of the construction permitting process.

Considering characteristics and locations of the project, the Promoter expects that none of the schemes will be screened in for an EIA and only a small number of schemes will be screened in for an Appropriate Assessment.

Overall, the environmental impacts of the Programme are expected to be minor and related mainly to noise, vibration, dust, and traffic disruption during the construction, and electromagnetic fields (EMF) and nuisance during operation. Appropriate mitigation measures

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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will be implemented to minimise impacts during construction and operation. Particular attention 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. Regarding cultural heritage, excavation works will be carried according to national legislation (Legislative Decree 42/2004).

The Promoter is ISO 14001 certified (2015) for its environmental management system. The environmental and social due diligence has followed the Programme lending approach according to the EIB's procedures and standards, i.e. the due diligence focussed on the Promoter's capacity and capability to implement the Programme in line with EIB environmental and social standards and requirements. The Bank also reviewed two EIAs for schemes that A2A implemented in the past and found them to be satisfactory. The environmental capacity of the Promoter is deemed to be good; it has the experience and the capacity to appropriately manage the investment Programme.

EIB Carbon Footprint Exercise

The source of CO₂ equivalent (CO₂e) emissions for the Programme is the ohmic losses of the new network equipment being installed. At Programme completion, the corresponding absolute emissions are estimated by the Bank at 10 kt CO₂e per year. These absolute emissions are however, offset by the reduction of system losses enabled by the Programme in comparison to the do-nothing alternative. Therefore, at completion, the Project is expected to enable a saving of 33 kt CO₂e per 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.

Conclusions and Recommendations

The Bank reviewed the environmental and social capacity of the Promoter including its organisation, processes and procedures, and deemed them to be good.

Based on the information available, and with appropriate conditions (see below) and monitoring, the Programme is expected to be acceptable in environmental and social terms for Bank financing:

- The Promoter undertakes to store and keep updated all EIA screening decisions concerning the Programme schemes issued by the competent authority for nature and environment.
- 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 by the competent authority. An electronic copy of the EIAs must be placed on the website of the Promoter from the moment the EIAs are made available to the public and maintained until completion of reporting.
- The Promoter undertakes to ensure that all Programme schemes will undergo a biodiversity screening in accordance with the EU Habitats and Birds Directives. Should a component have a potential impact on a site of nature conservation, the undertaking is extended to inform the relevant authority and implement the procedures under Articles 6(3) and (4) of the Habitats Directive.
- The Promoter undertakes to store and keep updated any documents that may be relevant for the Programme and which support the compliance with the provisions under the EU Habitats and Birds Directives (Form A/B, or equivalent declaration by



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the competent authority) and shall, upon request, promptly deliver such documents to the Bank.