



Luxembourg, 07.09.2022

Environmental and Social Data Sheet

Overview

Project Name:	UNICREDIT CLIMATE ACTION FL ITALY II
Project Number:	2022-0238
Country:	ITALY
Project Description:	Framework loan to support small and medium scale investments in renewable energy, contributing to the climate change mitigation objective
EIA required:	Some sub-projects may require an EIA under the relevant legislation.
Project included in Carbon Footprint Exercise ¹ :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The operation is a Framework Loan (FL) with the Financial Intermediary (FI) UNICREDIT to finance several small/medium-scale renewable energy projects (solar PV plants, onshore wind farms and production of biomethane) in Italy.

The operation will contribute to EU energy objectives by supporting investments in new renewable energy generation capacity and energy efficiency. The investments will generate environmental benefits in terms of reduction of air pollutants and GHG emissions, ultimately helping to mitigate climate change.

Most of the schemes are expected to fall under Annex II of the Environmental Impact Assessment ("EIA") Directive. For projects that require an EIA, the FI shall undertake to provide the EIB with a website link to the location where the EIA study is published.

In Italy, the construction of the types of projects to be financed by this operation requires the project to be granted a Framework Authorisation called Autorizzazione Unica ("AU"). The Environmental Impact decision is part of the administrative AU required by the national regulation. The AU is a single authorisation which must be filed with the provincial authority where the project is located, demonstrating that the work will be undertaken in compliance with existing zoning laws and plans, and with safety, health and environmental protection regulations. Supporting documentation must also be provided. Should any of the conditions required for the approval of the AU be missing, the provincial authority must notify the applicant that the application will be suspended and inserted into a separate list. The applicant may deliver the missing documents to the provincial authority and further evaluation will be

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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undertaken later. In the case where an EIA is needed, the AU process is suspended until the completion of the EIA. The FI shall undertake to provide the EIB with a website link to the location where the AU is published.

For each sub-scheme that may have an impact on a nature conservation site, written confirmation from the competent nature conservation authority, or an equivalent confirmation satisfactory to the Bank that the mentioned scheme does not have a significant negative impact on any site of nature conservation importance should be presented, as a condition of disbursement. Schemes with significant negative impacts on areas with high biodiversity value, nature conservation areas, including bird migration routes, shall not be eligible.

The feedstock of the biomethane schemes will be agricultural residues. Crops specifically grown to provide feedstock for biogas plants will not be used as this can indirectly cause water pollution and puts pressure on biodiversity. Any biomethane scheme will comply with the EIB's sector criteria. In particular, a biomethane scheme will be eligible when using appropriate feedstock for advanced biomethane production as listed in Part A of Annex IX of Directive (EU) 2018/2001, and biomass feedstock will be compliant with the EIB's sustainability criteria.

Social Assessment

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

Other Environmental and Social Aspects

All schemes under this operation undergo due diligence by the FI, including with regards to environmental and social matters. The FI is well known to the Bank through two recent operations of similar characteristics and is familiar with the Bank's Environmental and Social requirements. Additionally, it has substantial experience in non-recourse financing of renewable energy projects. The FI applies a comprehensive ESG policy, including reporting and monitoring and is signatory to the Equator Principles. It has in place policies and procedures to assess environmental and social (E&S) risks in the operations it finances, and has a dedicated team to assess and monitor E&S matters. The Bank has assessed the FI, and deems it to have adequate capacity to ensure compliance with the Bank's E&S requirements.

The FI will be contractually obliged to ensure that all investments comply with the relevant EU Environmental Directives (e.g. EIA Directive 2014/52/EU amending Directive 2011/92/EU, Habitats 92/43/EEC, and Birds Directive 2009/147/EC amending 79/409/EEC) and the EIB's Environmental and Social Standards (where applicable).

Under the allocation procedures, all underlying sub-projects will be reviewed by the EIB, either ex-post or ex-ante, depending on the investment cost. Only projects that receive environmental authorisations (where applicable), including an opinion from the Competent Authority of no negative impact on any Natura 2000 site, as well as licences (including building permits), and which are in compliance with relevant EU Environmental Directives and EIB E&S Standards (where applicable), are eligible for EIB financing.



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Conclusions and Recommendations

The Bank has reviewed the E&S risks associated with the operation as well as the E&S capacity of the FI. It is considered that the environmental procedures carried out for individual schemes, verified by the FI, will appropriately address environmental issues and ensure that the schemes to be part-financed under this framework loan meet the Bank's requirements.

The operation is considered acceptable for Bank financing from a social and environmental point of view, with the following environmental and social disbursement conditions and undertakings for the finance contract:

- The Financial Intermediary shall undertake to provide the EIB with a website link to the location where the AU and the EIA studies (where applicable) are published.
- For each scheme that may have an impact on a nature conservation site, the Financial Intermediary shall obtain confirmation from the competent nature conservation authority, or an equivalent assessment satisfactory to the Bank, that the scheme does not have a significant negative impact on any site of nature conservation importance.
- The Financial Intermediary will ensure that the project promoter will implement best available techniques to prevent methane leakage from biomethane production units.

Under these conditions, the operation is acceptable in E&S terms.