



European Investment Bank (EIB)

Luxembourg, 06/10/2022

## Environmental and Social Completion Sheet (ESCS)

### Overview

Project Name: A2A DISTRICT HEATING II  
 Project Number: (2016-0408)  
 Country: Italy  
 Project Description: The investment programme concerns the optimization, upgrade, and extension of the district heating networks in the Promoter's service area. The major part of the project relates to network extension and new connections to meet demand from new customers as well as to refurbishment of the existing networks. The remaining investments address further development and optimization of existing district heating generation capacity and network operation by installing new boilers, heat storage and network pumping capacity, replacing and relocating existing generation capacity and introducing a centralized remote control system.

### Summary of Environmental and Social Assessment at Completion

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

This investment programme aimed at developing the district heating (DH) systems operated by the Promoter in the Milan metropolitan area, Bergamo and Brescia, as well as implementing energy efficiency improvements in end-user independent heating systems.

The programme underwent a number of variations in the nature of investment works. For example, the promoter did not report any expenditure in the refurbishment, optimisation and development of heat generation assets, nor in energy efficiency upgrades. However, this did not appear to determine any social or environmental impact.

Some project components fell under Annex II of the Environmental Impact Assessment Directive (2011/92/EC). Therefore, the decision whether an EIA is required was left with the competent authority on the basis of the criteria defined in Annex III of the EIA Directive. Based on the characteristics, location and limited potential impacts of the works included in the programme, and considering the criteria established under the national EIA legislation, none of the programme schemes were expected to require an EIA. As an undertaking, the Promoter could not allocate the Bank's funds to any project component requiring an Environmental Impact Assessment ("EIA") until such assessment was approved by the competent authority, the construction permit issued, and both EIA and permit procedures were satisfactory to the Bank. As reported no project components required an EIA.

No legal processes regarding were pending and no evidence of claims with legal impact have occurred during the whole Project period.

In relation to health and safety issues, in 2020 four accidents occurred during the implementation of the program which resulted in the absence from the work of the personnel involved for a period exceeding 30 days.



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Since the kick-off of the project there has been no evidence of new relevant aspects that can determine social or environmental impacts. Till the end of 2020 there has been no claims concerning environmental issues.

At appraisal stage the annual absolute emissions of the programme in a standard year of operation were estimated 165.3 kt CO<sub>2</sub>eq. The estimated emissions savings expected to be reached by the programme were 33.7 kt CO<sub>2</sub>eq/year. Practically all the anticipated savings were dedicated to the reduction of emissions related to the newly installed individual gas-boilers replacing the old oil-boilers outside the district heating network. Because this component of the programme was not carried out the programme did not deliver the projected emission savings. Based on the completed components (network extension and new connections) it is estimated that the programme did not have tangible impact on greenhouse gas emissions. On company level, however, the promoter reported a reduction of emissions of approx. 220t NO<sub>x</sub> and 206 kt of CO<sub>2</sub> in 2020.

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

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