

Luxembourg, 16/10/2024

## Environmental and Social Data Sheet

### Overview

Project Name:	<i>ACEA EFFICIENZA RETE IV</i>
Project Number:	<i>2024-0176</i>
Country:	<i>ITALY</i>
Project Description:	Investment plan for the modernization and extension of the electricity distribution network in the municipalities of Rome and Formello (the "Project"). The Project, to be implemented over the 2024-2027 period, will replace obsolete infrastructures with modern and more efficient components, contributing to improve the network resilience to adverse climate events and the overall stability and reliability of the distribution system
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

### Environmental and Social Assessment

#### Environmental Assessment

The Project is an investment programme (the "Project") for the reinforcement and modernization of the distribution networks in Italy, in the cities of Rome and Formello, during the period 2024-2027. The Project concerns new and refurbished assets in MV and LV networks such as: approx. 1635 km of MV/LV lines, (828 km of new lines and 807 km of refurbished lines), improvement of primary substations and 2190 substations connections and includes network automation investments. The Project also includes the installation of approx 890,000 "2G" smart meters. The Project will enable the promoter to improve quality of service, to cater for demand growth and connect new users. The Project will be implemented by Areti S.p.A., the distribution system operator in Rome all fully owned subsidiary of ACEA SpA.

The characteristics of the schemes under the scope of the Project are such that they are listed under Annex II of the Environmental Impact Assessment ("EIA") Directive 2014/52/EU amending the EIA Directive 2011/92/EU, leaving it to the competent authority to determine whether or not an Environmental Impact Assessment (EIA) is required. The schemes presented do not meet the minimum thresholds for EIA screening set out in the Italian legislation because they are below 150kV and less than 30 km. The Promoter informs that none of the works will be implemented inside or near Natura 2000 areas.

Overall, the environmental impacts of the Project 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 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.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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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 environmental and social due diligence focussed on the Promoter's capacity and capability to implement the Project in line with EIB environmental and social standards and requirements. The environmental capacity of the Promoter is deemed to be good; it has the experience and the capacity to appropriately manage the investment Project.

The source of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emissions for the programme is the ohmic losses associated with new or refurbished network equipment. At Project completion, the corresponding absolute emissions are estimated to be 4 kt CO<sub>2</sub>e per year. These absolute emissions are offset by the reduction in network losses enabled by the programme in comparison to the do-nothing alternative. Therefore, at completion, the programme is expected to enable a saving of circa -8 kt CO<sub>2</sub>e per year.

### **EIB Paris Alignment for Counterparties (PATH) Framework**

The counterparty ACEA is in scope and screened out of the PATH framework, because it does not operate in high emitting sectors and its vulnerability to physical risks is not high.

### **Social Assessment, where applicable**

The Project does not entail physical resettlement and allows the improvement of quality of service to users (SAIDI and SAIFI), improvement of operating conditions and the connection of a distributed generation from renewables. The ACEA policies covering Diversity and Inclusion issues are: the Code of Ethics, Human Right, Anticorruption and Diversity, Equity & Inclusion Commitment Statement to which the Group adheres.

One of the objectives is promoting equal treatment and opportunities between genders within the entire corporate organization and initiatives are present to encourage inclusion on this issue such as:

- Acea confirms its presence in the 2023 "Bloomberg Gender-Equality Index" (GEI), the international index that tracks company performance in terms of gender equality across five pillars: female leadership, equal pay, inclusive culture, anti-sexual harassment policies, pro-women brand positioning on the part of the company.
- In 2023, Acea confirmed the UNI/PdR 125:2022 certification, the national standard on gender equality, which outlines the guidelines to support female empowerment within corporate growth paths.

The installation of the smart meters are not expected to create acceptance problems in the users as they replace first generation smart meters with more modern second generation one.

### **Public Consultation and Stakeholder Engagement**

The Promoter will be requested to ensure compliance with national and European environmental legislation, notably to facilitate public access to environmental information and guarantee public consultation during the environmental decision process, where relevant.

At Group level they follow the AA1000 standards that are designed to help organizations ensure they are transparent, responsible, and responsive to stakeholders' needs and concerns.

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## Other Environmental and Social Aspects

Regarding environmental aspects, the ACEA SpA and Areti SpA have several certifications such as: ISO 9001 (Quality Management Standards), ISO 14001 (Environmental Management Standards), ISO 45001 (Occupational Health and Safety Standards) and ISO 50001 (to reduce their energy costs, improve energy efficiency, and reduce greenhouse gas emissions).

The Promoter is experienced and has the capacity to mitigate the impacts to an acceptable level through its Environmental Protection Management programme. Safety aspects are integrated into the Promoter's guidelines.

## 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 acceptable.

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

- The Borrower undertakes not to engage in incompatible activities, as defined in the EIB Group PATH Framework (<https://www.eib.org/en/publications/20220007-the-eibgroup-path-framework>).
- The Promoter undertakes that no funds will be allocated to assets which serve the direct connection (new or refurbished) of generation facilities with lifecycle GHG emission above 100 gCO<sub>2</sub>e/kWh.
- The schemes as presented do not meet the minimum national thresholds for screening. In any event, the Promoter undertakes not to allocate Bank funds to programme components that require a screening and/or EIA until the environmental procedure and/or the necessary nature assessment have been finalised and approved by the relevant competent authority. Once any EIA is available, the Promoter will provide the Bank with an electronic copy of the EIA, for publication on the EIB website.
- The Promoter shall not commit any EIB funds to any scheme that is likely to impact nature conservation sites, before the competent authorities ascertain that the scheme will not adversely affect the integrity of the site concerned and as foreseen in Art. 6(3) of the Habitats Directive and before the Bank of such decision by the competent authorities.
- The Promoter undertakes to provide to the Bank, if requested, any decision and subsequent justification that screen out Project components from the requirement of a full EIA as well as the decisions issued by the competent authorities regarding the Habitats and Birds Directives.