Luxembourg, 15/12/2015

Environmental and Social Data Sheet

Overview

Project Name:	*Caruna Distribution Network Investment Programme*
Project Number:	*20150335*
Country:	*Finland*
Project Description:	*Caruna Oy will invest to reinforce its electricity distribution network in Finland to enhance the security of supply.*
EIA required:	not expected
Project included in Carbon Footprint Exercise[1]:	no

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The project comprises an investment programme consisting of a large number of schemes having operating voltage from 110 kV down to low voltage. Some programme schemes fall under Annex II of the EIA Directive (2011/92/EU) thus implying a review by the competent authorities at the planning stage with due regard to the necessity for an environmental and biodiversity assessments. Given their characteristics and voltage range, none of the schemes are expected to require a full EIA.

The environmental impacts that can be typically expected for some schemes are expected to be of a low order, and mainly related to visual impact, vegetation clearance, an impact on flying vertebrates, electromagnetic fields, noise nuisance, and disturbance during construction. Medium Voltage (MV) and Low Voltage (LV) schemes are expected to have minimal or null environmental impacts. The programme also includes some storm resilience components (climate adaptation). In addition to this, the programme is expected to have a positive impact on landscape and biodiversity by replacing overhead lines with underground cables as well as replacing pole mounted transformers with pad mounted transformers with oil basins to mitigate the oil hazards of oil-insulated transformers and power grid components.

The relevant authorities are consulted where required to ensure proper protection of environmental aspects relating to plants, animals and their habitats, and designated areas of conservation as per environmental management system operating procedure of the promoter.

The promoter has the experience and the capacity to appropriately manage the programme. Based on the information available, the programme is expected to have only minor negative residual impacts and thus is acceptable in environmental terms for Bank financing.

Environmental and Social Assessment

Environmental Assessment

During the appraisal mission the promoter confirmed to have in place the main typical measures to mitigate the impact on the environment of power lines and substations. Disposal of all obsolete equipment and waste management is outsourced to Northern Europe's leading

[1] Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO2e/year absolute (gross) or 20,000 tons CO2e/year relative (net) – both increases and savings.

industrial recycling companies. The impact of the programme in term of SF6 emissions[2] is negligible.

Other Environmental and Social Aspects

The environmental management capacity of the promoter is strong as reflected in its Environmental Management System which is designed to comply with the requirements of the ISO-14001 standard.

Bank Environmental Conditions

The Bank will require the promoter to undertake not to allocate Bank's funds to distribution programme components that require an Environmental Impact Assessment (EIA) until the EIA and/or the necessary biodiversity assessment have been finalized, satisfactory to the Bank, and approved by the competent authority. When the EIA is made available to the public, an electronic copy of the full EIA study shall be sent to the Bank.

The Promoter undertakes to take into account and implement conditions expressed in any screening-out decision or EIA consent granted by the competent authority for nature and environment.

The promoter undertakes to store and keep updated any documents as may be relevant for the programme supporting the compliance with the provisions under the EU Habitat and Birds Directives and shall promptly upon request deliver such documents to the Bank.

[2] Sulphur hexafluoride (SF6) is a powerful greenhouse gas with a global warming potential of about 23,000 times that of CO_2. SF6 is the electric industry's preferred gas for high voltage electrical insulation, current interruption and arch quenching. It is extensively used in circuit breakers and gas insulated substations because of its inertness and dielectric proprieties. The emission of SF6 is mainly due to fugitive emissions that may occur during installation, operation, maintenance and disposal of the equipment.