

Environmental and Social Data Sheet

Overview

Project Name:	WOOD RDI AND CLEAN MANUFACTURING
Project Number:	2016-0189
Country:	Spain, Portugal
Project Description:	The project includes investments in environmental and energy upgrades, and in an RDI programme to develop new solutions in manufacturing of wood based panels.
EIA required:	Some sub-components of the project require screening decisions by the competent environmental authorities and may require EIA on a case by case basis.
Project included in Carbon Footprint Exercise ¹ :	yes

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The project will upgrade the promoter's existing plants in compliance with the best available technologies (BAT) and with the environmental targets to be achieved by 2020 for the production of wood-based panels as defined in Commission Implementing Decision (EU) 2015/2119 under Industrial Emissions Directive 2010/75/EU (IE). It concerns investments at the promoter's duly permitted production sites that are within the provisions of Annex II of Directive 2011/92/EC (EIA).

The promoter has updated integral environmental permits for operating the plants issued under EIA and IE Directives. Subprojects at each plant require screening decisions by the competent environmental authorities on a case by case basis. The national regulations stipulate the conditions where the changes applied to the installations of the existing manufacturing facilities are substantial and would therefore require a full EIA. Based on this regulation only the project named "Capacity expansion: Superpan®" related to Nelas site, would be classified as substantial changes and will need an EIA process. For the rest of the projects, according to the national regulation, should be considered as non-substantial modification of the IED permit. The promoter has not submitted yet the corresponding environmental pre-assessments together with an application for consideration of non-substantial modification for the projects at each of the production units. The integral EIA and IED permits for the totality of the production units will still need to undergo changes in order to adapt to the new technical set-up. This will require the submission of the corresponding reasoned requests before the entry into operation of the modified production units and once the subprojects have been implemented.

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.

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The project focuses on the abatement of GHG emissions, wastewater treatment and substituting renewable, biomass for heavy fossil fuels in heat and power generation units that are smaller than 50 MWth.

All the factories involved in this project have in place an Environmental Management System (EMS) implemented and certified by ISO 14001 standards. Strong Safety Health and Environmental (SHE) norms apply on all industrial perimeters. The industrial sites are located outside of urban areas and are not expected to affect any area of special conservation value (e.g. Natura 2000).

The Promoter applies the EU Timber Regulation and requires that all wooden materials sourced have certified chain of custody systems. Wood is sourced only from forests that comply with sustainable forest management standards as defined in internationally accredited forest certification schemes, such as FSC and PEFC. The promoter's own forests are all certified.

The RDI activities are all within the existing facilities and do not induce an adverse impact to the environment.

EIB Carbon Footprint Exercise

The annual emissions in a typical year of operation are estimated at 179,900 tonnes of CO₂ equivalent and the estimated emission savings gained with the project are estimated at 34,300 tonnes of CO₂ equivalent per year. These emission savings are related to the Santiago de Compostela (ES), San Cibrao das Viñas (ES) and Nelas (PT) factories, with the baseline emissions including the new electricity produced by the plants and exported to the national grid and the heavy fuel oil consumption. The abatement of CO₂ emissions is mainly achieved through increased energy efficiency and using renewable biomass instead of fossil fuels in energy generation.

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 the project cost.

Social Assessment, where applicable

There are neither significant adverse social impacts nor resettlement.

Public Consultation and Stakeholder Engagement

The EMS includes a registry containing the track record of all external environmental communication.

Conclusions and Recommendations

The investments are not expected to cause substantial changes in environmental licenses, with the exception of the project named "Capacity expansion: Superpan®" related to Nelas site. The screening decisions for the individual subprojects are still pending. Their submission to the EIB will be a disbursement condition (related to the proceeds required for the particular sub-investments) to the finance contract. In case a project component requires an update of the environmental permit (including EIA and public consultation), a similar disbursement condition will be included in the finance contract to commit the promoter to send to the Bank the environmental impact study, the conclusion of the public consultations and the updated



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environmental permits. Furthermore, the formal application of the necessary non-substantial modification of the integral environmental and industrial emission permit for the production units concerned is still outstanding. These are necessary for the operation of the modified production units once the construction is completed and before the commissioning of the subprojects. The timely submission to the EIB will be included as an undertaking in the finance contract.

With the described environmental management systems in place, the project is considered acceptable for Bank financing from an environmental perspective. Overall, the project is expected to generate significant environmental and social benefits as well as multiplier effects on the local economies.