

## Environmental and Social Data Sheet

### Overview

Project Name:	<i>Stora Enso Environmental Conversion CAPEX</i>
Project Number:	<i>2020-0384</i>
Country:	<i>Finland</i>
Project Description:	The project consists of investments in a full conversion of an existing old integrated pulp and paper mill in Oulu, Finland, from wood-free coated paper (for printing sector) into a board-packaging mill (mainly for food and beverage sector).
EIA required:	yes
Project included in Carbon Footprint Exercise <sup>1</sup> :	yes

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

### Environmental and Social Assessment

#### Environmental Assessment

The project falls under the scope of Annex I of the EIA Directive 2014/52/EU (amending 2011/92/EU Directive), as well as of the Industrial Emissions Directive IED 2010/75/EU.

The existing integrated pulp and paper mill in Oulu is operational since 1991 and has undergone a series of upgrades during the years. The project will include upgrading and modernization measures at all stages of production that will increase its overall resource efficiency and generation of renewable energy. The project implementation will follow the Best Available Techniques (BAT) Reference Document for the Production of Pulp, Paper and Board, and the mill will continue to be within the BAT-compliant parameters. The EIA process started in June 2018 and the justified conclusion by the environmental authority was issued on 21 December 2018. The Environmental permit was issued on 23 April 2020.

#### EIB Carbon Footprint Exercise

The estimated annual absolute emissions (scenario with project) are 35.1 kT CO<sub>2</sub>e/year. The estimated baseline emissions (scenario without project) are 77.9 kT CO<sub>2</sub>e/year. Therefore, the estimated relative emissions savings are 42.8 kT CO<sub>2</sub>e/year.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated as a proportion of the project cost according to the EIB lending amount for that year.

#### Social Assessment, where applicable

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<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.

Luxembourg, 15 October 2020

The Promoter has stringent Occupational, Health and Safety Management System (OHSMS) in place and it is certified OHSAS 18001.

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

In line with the provisions of the relevant Finnish legislation, which transposes the EIA Directive, public consultation was required for the project. The consultation took place for 48 days until August 15<sup>th</sup>, 2018.

### **Other Environmental and Social Aspects**

All wood used by the Promoter comes from sustainable managed forests, either PEFC/FSC certified forests or from PEFC/FSC controlled sources. The Promoter has a Due Diligence System in place proving 100 % legality and traceability of the sourced wood, in compliance with EU Timber Regulation. Through its Management System Policy, the Promoter guarantees that the supplied wood is not associated with any of the following: illegal activities; violation of human rights; destruction of high conservation value forests; introduction of genetically modified organisms in forestry operations; significant conversion of forests to plantations or non-forest use; and violation of any of the ILO Core Conventions, as defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1998.

The Promoter follows Finnish laws and regulations.

## **Conclusions and Recommendations**

The following conditions need to be satisfied by the Promoter:

- Any biomass supplied to the plant should be subject to a transparent, credible chain of custody, while forest management and chain of custody practices in feedstock sourcing areas should be certified by internationally accredited forest certification schemes (e.g. FSC/PEFC) or should be aligned with the same standards and principles so as to be certifiable;
- Exclude sourcing biomass from areas with natural forest conversion and logging from primary moist and tropical forests.
- Comply with the sustainability requirements of the EU regulatory framework i.e. EU Forest Strategy, EU Forest Law Enforcement Governance and Trade (FLEGT), EU Timber Regulation (EUTR 995/2010), LULUCF Regulation (841/2018), as applicable;
- Submit to the Bank the relevant, amended, IED and operating permits of the project before starting operating the new facilities.
- Provide proof of compliance with the final decision of the Environmental Protection Agency in respect of emission levels.

Subject to the above E&S conditions on the project, and taking into account Promoter's capability and the systems in place to manage environmental and social impacts and issues, the project is acceptable for Bank's financing in environmental and social terms.