

## Environmental and Social Data Sheet

### Overview

Project Name:	GASCOGNE PAPIER FACTORY
Project Number:	2021-0303
Country:	France
Project Description:	The project comprises the construction of a new paper machine for the production of specialized paper aimed at replacing three of the Group's ageing paper machines in Mimizan, South West France.
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

The project concerns the modernisation of an existing pulp and paper mill in Mimizan, by replacing three old paper machines by one that has improved energy and resource-efficient production parameters. The new paper machine will not require any expansion or clearing of additional land.

The project was subject to a determination on the need for an environmental assessment that was carried out by the relevant competent authority. On October 15<sup>th</sup>, 2021, the promoter received a screening-out decision for the modernisation of the paper factory issued by the competent authority, i.e. the Regional Department of Environment, Management and Housing of Nouvelle Aquitaine, Prefecture of Landes (Ref No. EL/IC40/21DP-). The proposed modernisation is considered as not substantial with regard to Article R.181-46 of the French Environmental Code and it is thus not necessary to conduct an Environmental Impact Analysis (EIA) according to Article R122 of the French Code of Environment or EIA Directive 2014/52/EU. The installed production capacity of the Mimizan site will not change, therefore the operation can continue under the current operation licence issued per prefectural decree in February 2011.

The project site is built within an existing industrial area, which is located 400m away from the nearest Natura 2000 site. The project will significantly reduce the water consumption of the factory, which will reduce the pressure on the water resource available in the region, including this site.

The promoter purchases its wood supply largely within a radius of 50-60 km distance from the factory. The promoter has a responsible sourcing policy and plan in place and is a pioneer in forest certification and product traceability which significantly reduces the likelihood of any negative biodiversity impacts. Most of the procured wood is already PEFC<sup>TM</sup> and/or FSC<sup>®</sup>-certified, while the remaining suppliers are required to supply only non-controversial wood.

<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 CO2e/year absolute (gross) or 20,000 tonnes CO2e/year relative (net) – both increases and savings.

Luxembourg, 30/11/2021

The site is located about 5 km away from the coast at an elevation of ca. 10-15 meter and is not part of the zone under risk regulated by the Coastal Risks Prevention plan for Mimizan. The project site is situated upstream of the Mimizan river and is not located in a regulated flood zone. The promoter will install the paper machine on the elevated floor of the building, and will continue to monitor the evolution of flood risk in the future. If necessary, they will take other appropriate measures to mitigate enhanced flood risk for the project in the future.

Other climate related risks such as storms, temperature increase, precipitation decrease and droughts may affect the wood supply for the factory. Especially noteworthy in this regard are the two serious storms in 1999 and 2009 in Aquitaine region which affected half of the forest area. While the damaged forest areas were reforested in the meantime, it still has an impact on the wood supply. Under current climate change scenarios, an increased frequency of the storms as well as higher wind speeds can be expected, which may not jeopardize the paper production as such, but will require flexible timber supply management approaches as applied by the promoter.

The project will result in significant energy efficiency gains, in terms of both electricity and steam. The GHG balance of the project is positive compared to the baseline scenario. The absolute emissions are ex-ante estimated at 5.3. kt CO<sub>2</sub>-eq per annum while the relative emissions are -1.1 kt CO<sub>2</sub>-eq per annum.

The project is Paris-aligned. It targets resource and energy efficiency, greater material circulation, improved production processes based on lower-carbon inputs. It qualifies for Focus area 5: Striving for greener industry of the Climate Bank Roadmap.

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

The Group's main production sites are certified under the ISO 9001 quality management system and are implementing PEFC™ and/or FSC® chain of custody certification. Continuous improvement and performance management measures with a focus on participation of employees have been put in place by the promoter. These measures are based on the Plan-Do-Check-Act (PDCA) method, drawing on interdepartmental complementarity, with the objective of guiding the industrial sites towards overall improvement in performance and industrial excellence. They are also subject to best practice audits in order to make the working environment cleaner, safer and more efficient. An ISO 50001 certification is currently being implemented by the paper division of the promoter.

## **Conclusions and Recommendations**

The capacity of the promoter to address E&S risks is considered appropriate.

E&S undertaking: 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 in the future.

With these conditions in place, the project is considered to be acceptable for EIB financing in E&S terms.