

## Environmental and Social Data Sheet

### Overview

Project Name:	HINOJOSA RECYCLED PACKAGING CIRCULAR ECONOMY
Project Number:	2021-0508
Country:	SPAIN
Project Description:	The Project concerns the Promoter's Strategic Investment Programme (2021-2023) for modernization and upgrade of installations, equipment and machinery, incorporating advanced process technologies in eight of its existing paper and packaging production facilities.
EIA required:	no
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 will be implemented in existing industrial sites, which have environmental and operation permits in place. The existing production plants have continuously undergone adaptations and modernization cycles to incorporate best available technologies.

The project does not bring about modifications with significant impact on environment of the existing production facilities and hence does not fall under Annex I and Annex II of the EIA. The plants included in the project scope have valid operational, environmental and/or IED permits in place. Through debottlenecking and efficiency gains in production processes, the project will lead to moderate increase of the production capacities, which will be within the capacity limits of the existing permits. In addition, the project will lead to reduction of GHG emissions, through lower carbon footprint due to new equipment, energy and resource efficiency gains and renewable energy production (photovoltaic).

The promoter has a responsible feedstock sourcing policy in place for its recycled paper intake and is experienced in product traceability. Over 90% of the recycled and market paper used in its processes is PEFC/FSC certified, while the rest of the feedstock comes from non-controversial and controlled sources.

All activities under this project are within existing industrial locations, at safe distance from any inhabited areas. No nature protection area is affected by the project.

The project is Paris-aligned against both low carbon and climate resilience goals. It qualifies for Focus area 5: Striving for greener industry of the Climate Bank Roadmap.

#### EIB Carbon footprint exercise

Following the EIB Carbon Footprint Methodology, the relative GHG emissions of the project after implementation are estimated at 20.1 kt CO<sub>2</sub>-eq. Without the project, the current emissions for the plants are of 25.6 kt CO<sub>2</sub>-eq. Therefore, the net annual emission reduction due to the replacement of the old equipment and implementation of renewable energy systems in two plants are estimated at 5.5 kt CO<sub>2</sub>-eq.

For the purposes of the annual Carbon Footprint accounting concerning the EIB project, the missions will

<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.

be prorated according to the EIB lending amount signed in that year, as a proportion of project investment cost.

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

The Promoter has put in place a strong Corporate Social Responsibility policy, including social and environmental measures, targets and monitoring parameters.

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

In line with the provisions of the relevant Spanish legislation, no EIA Directive was required nor completed for the project.

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

The Promoter has put in place strong environmental policies and procedures, with dedicated personnel and roles. The promoter has stringent Occupational, Health and Safety Management System (OHSMS) in place, integrated into the company's management through certification under the international OHSAS 18001 (Occupational Health and Safety Assessment Series) and ISO 45001 standard, to ensure that uniform processes are deployed across the Group and that the units continuously improve their workplace health and safety. The promoter uses ISO 14001 and EMAS (the EU's system for environmental management and auditing) as environmental management systems. A large number of production units are certified according to ISO 9001, ISO 14001, OHS 18001 and/or EMAS, and the promoter will continue its programme for the remaining plants, as for the newly acquired.

Through its Management System Policy, the Promoter guarantees that the supplied paper 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 Project is expected to generate spill-over effects on the local, rural economies by supporting further employment opportunities in the upstream and/or downstream value chain during the operation phase.

## **Conclusions and Recommendations**

The Promoter undertakes to inform the Bank about any change/modification/extension of the project that could trigger an EIA-IED permitting process, following EIA directive 2014/52/EU, amending 2011/92/EU and IED directive 2010/75/EU and submit the relevant assessment reports and permits to the Bank. The Promoter is also requested to submit energy audits to the Bank at project completion stage.

Subject to the above contractual condition to be included in the financial contract, the project is acceptable for EIB financing in E&S terms.