



Luxembourg, 08.12.2022

Environmental and Social Data Sheet

Overview

Project Name: COSENTINO SUSTAINABILITY & DECARBONIZATION
 Project Number: 2022-0396
 Country: Spain
 Project Description: The project consist of the several capital investment components in the field of innovative engineered stone products and production processes, and in particular (i) deployment of technology for next generation circular agglomerated materials, (ii) investment in renewable energy generation capacity for self-consumption, (iii) investments in automation, robotisation and digitalisation as well as (iv) expansion of production capacity that will make use of renewable fuels. The project covers the period between 2022 and 2025 and will be carried out at the promoter's existing site in Cantoria (Andalusia, Spain).

EIA required: yes

Project included in Carbon Footprint Exercise¹: yes

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

Environmental and Social Assessment

Environmental Assessment

The project is formed by four main components: (i) deployment of technology for the recycling of production material residues, (ii) installation of renewable energy generation capacity for self-consumption, (iii) investments in automation, robotisation and digitalisation to improve the efficiency of production processes as well as (iv) installation of a new line for the production of ceramic products in large formats and the associated renewable fuels production and distribution infrastructure on-site.

Manufacturing of engineered stones falls under the category "5. Mineral Industry / Manufacture of ceramic products by burning, in particular roofing tiles, bricks, refractory bricks, tiles, stoneware or porcelain" of the Annex II of the EIA Directive 2011/92/EU amended by Directive 2014/52/EU.

The Promoter's site in Cantoria, the project's location, is covered by an Integrated Environmental Authorisation to "Manufacture products derived from stones" granted in 2011 and afterwards updated for the production of "New surfaces in large formats" in 2015.

The investments included in the proposed project are covered by two subsequent requests for substantial modification of the site's Integrated Environmental Authorisation: a first request for the "Industrialization Project of new production technologies" approved in 2017 and an

¹ 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.



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additional request for the "Expansion of Technological Processes for innovative and sustainable materials" approved in 2021.

The local authorities required and EIA for both modifications. The full EIA studies are available on the Bank's website.

The project is aligned with the EIB Climate Bank Roadmap and, as such, it is aligned with the principles outlined in the Paris Agreement framework. In particular, the deployment of technology part of the project is covered by the Annex 2 (Table B: Industry) within the Energy-Intensive Industries (EII)/ETS sectors as they concern a combination of investments falling within the following categories:

- Low-carbon technologies i.e. electrification, shift to hydrogen or biomass/biogas/bio liquid as a fuel or feedstock, CCS/CCU, other low-carbon technologies;
- Transitional technologies: implementation of technology that will enable an easy shift to the use of hydrogen or biomass/biogas/bio liquid as a fuel or feedstock when available;
- Modernisation: energy efficiency, resource efficiency/circular economy and pollution prevention projects in line with the respective EIB eligibility criteria if the economic life does not run beyond 2035.

The project will have positive environmental externalities due to the deployment of more effect production processes, the installation of renewable energy generation capacity for self-consumption, and through the increase of circularity in production through the deployment of innovative recycling processes, thus allowing the Promoter to produce ceramic products in a more sustainable way. The additional production capacity will make use of renewable fuel sources as allowed by the production technology developments and thus in line with the decarbonisation roadmaps of the sector.

EIB Carbon Footprint Exercise

The annual emissions of the project in a standard year of operation have been estimated in 46 kt CO₂e/year (absolute). The estimation takes into account the electricity generated on-site from renewable energy sources as well as a prudential percentage of renewable fuels to be used in production in substitution to the natural gas, i.e. corresponding to the percentage already allowed by the current technology developments, although equipment will be ramped-up in 2024-25. The estimated emission saving is 26 kt CO₂e/year; the baseline used is represented by the same equipment operated exclusively with fossil fuels combined with an equivalent amount of the electrical energy self-generated from renewables drawn from the grid instead.

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 project cost.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty is in scope and screened out for the PATH framework, as its activities are not included in the list of EIB sub-sectors and segments in high emitting sectors and for high vulnerability.

Other Environmental and Social Aspects



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Quality, Environment, Health and Safety and Energy Management aspects are well integrated into the Promoter's management system as evidenced by the certification obtained for the Cantoria facilities in 2021 according to ISO 9001, ISO 45001, ISO 14001 and ISO 50001 standards by the DNV certification body.

Conclusions and Recommendations

In the light of the above, the project is acceptable for EIB financing in E&S terms.