



Luxembourg, 11/12/2023

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name:	RAFFINERIA DI MILAZZO
Project Number:	20150316
Country:	ITALY
Project Description:	The project consists of various investments at a refinery located on the north-eastern coast of Sicily. A third of the total investment will aim at improving the energy efficiency of the plant by installing heat recovery systems in four existing process units; a third will be directed to adding a sulphur recovery unit to meet multiple objectives, amongst which it will allow the refinery to process heavier, higher sulphur crude oils and improve operational reliability. The remaining part will be used to comply with the Italian Environmental legislation with regard to the protection of groundwater and to overhaul the fire-fighting system.

Summary of Environmental and Social Assessment at Completion

The investments took place on the refinery's site, itself categorised as Annex I of the EIA Directive (2011/92/EU). As such, any change or extension that may have significant adverse effects on the environment (change or extension not included in Annex I) is categorised as Annex II of the Directive. Two components of the Project were concerned by this procedure: A new sulphur recovery unit and the extension of the MISO sub-project¹, which obtained the EIA screening-out decision respectively in 2012 and in 2018.

Some of the components of the Project stemmed from legal requirements following the Environmental Characterization Plan pursuant a legislative decree at national level.

EIB notes the following Environmental and Social performance and key outcomes at Project Completion.

The overall investment resulted in positive environmental impacts, through the implementation of energy efficiency measures, reduction of atmospheric emissions and prevention of groundwater and soil contaminations.

The main environmental concerns identified at appraisal concerned the potential impact on groundwater and soil for the MISO and emissions to the atmosphere for the sulphur recovery unit in case they would fail to operate as planned. Other impacts concerned excavation and noise as well as dust and increased traffic within the refinery premises and were considered acceptable. Based on the information provided by the promoter at project completion, no significant environmental or social issues occurred as a result of the Project.

¹ Contributing at preventing any contact between groundwater circulating from agricultural lands under the refinery and the sea water.



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As part of its integrated environmental permits requirements (AIA – Autorizzazione Integrata Ambientale), the promoter is reporting annually monitoring, control and action points related to the environmental and safety performance of the refinery, which constitute a condition for the validity of the AIA, which needs to be renewed regularly.

The environmental capacity of the promoter was deemed good at appraisal, with environmental issues being addressed in line with legislation and international good practice, including compliance with all environmental protection regulations and standards provided by national and EU law. The Promoter is also ISO 14001:2015 certified, which certificate is typically renewed every three years.

The finance contract contains a condition requiring the promoter to provide to the Bank the EIA screening decision (and if applicable, the corresponding EIA and environmental approvals) for the MISO component, which was still on-going at the time of appraisal. The MISO component was screened-out from undertaking a full EIA by the Competent Authorities on the 12th of June 2018.

According to EIB GHG footprint calculations at completion, the Project would result in 353 kton CO₂e/year emissions in a standard year of operation and would contribute to the savings of -74 kton CO₂e/year, with absolute and relative emissions higher than estimates at appraisal (respectively at 290 and -81 kton CO₂e/year), as energy efficiency savings realised were ca. 20% lower than expected at appraisal, due to over-estimations at design stage.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion, based on reports from the promoter, that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.