Luxembourg, 5 December 2012

Environmental and Social Data Sheet

Overview

Project Name:	RAIL FREIGHT ROLLING STOCK
Project Number:	2012-0274
Country:	Poland
Project Description:	The Project consists of the acquisition of a fleet of freight rail wagons to renew and expand the Promoter's existing fleet, with approximately 2,050 mineral oil rail wagons and 918 chemical/gas railcars forming part of the capital expenditure programme (CAPEX) for 2012-2014. Additionally, the Promoter launched a wheel set betterment programme to replace existing wheel sets with improved ones with increased safety standards.

EIA required: No

Project included in Carbon Footprint Exercise[1]: Yes

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

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The project doesn't fall under either Annex I or Annex II of the Environmental Impact Assessment directive 2011/92/EU as manufacturing of rail rolling stock is not included in either list. Therefore no EIA is required for the project. Decommissioned rolling stock is expected to be scrapped according to the national legislation which is satisfactory to the Bank.

On a ton x km basis, rail freight has the potential to generate significant energy savings, emission reductions and safety improvements compared to other transport modes. The new freight wagons will also improve the noise levels by achieving the requirements of the directive 2011/229/EU. The new tank wagons have a slightly improved net-to-tare ratio allowing reduced energy consumption. All else equal, by helping the railways to maintain modal share in key sections of the freight market that are most appropriately met by rail, the project is expected to have a positive environmental impact.

The manufacturing of these wagons is expected to take place in existing plants, predominantly in Eastern Europe. The Promoter requires that the wagons be manufactured in accordance with the Technical Specification for Interoperability (TSI) and applicable EU environmental regulations.

Environmental and Social Assessment

Environmental Assessment

The vehicles/freight cars that are registered in Member States require authorization from the national railway authorities. One of the conditions for granting authorization is the interoperability of the freight wagons with other components of the trans-European conventional rail system. In addition, the second major condition for obtaining authorization for starting operations is compliance with health and safety standards, environmental

[1] Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO2e/year absolute (gross) or 20,000 tons CO2e/year relative (net) – both increases and savings.

protection, technical compatibility of infrastructure and vehicles, including freight cars that can be employed in the trans-European conventional rail system.

All rail tank wagons will be manufactured and equipped in accordance with the international law on the transportation of dangerous goods (RID) and the EU TSI interoperability standards. The design of the new rail wagons has been assessed against the requirements of Conventional Rail Freight Wagons-TSI (2006/861/EC) and the TSI Noise (2011/229/EU).

Concerning TSI for noise, the maximum levels of noise for rolling stock for railways have been established by the Commission. According to these, the established limits should be applied both to new and renewed rolling stock including freight wagons. On top of that, all freight wagons purchased within the Project will be equipped with low-noise brake blocks (such as so-called K-blocks) reducing the noise by about 50% in comparison with traditional wagons.

With respect to the transportation of dangerous (hazardous) goods, this is highly regulated through the Directive 96/49/EC of July 23, 1996 as amended, which shall be applied to transport by rail within and between EU countries. The Promoter complies with all these regulations and has been advising its clients on their responsibilities.

The Promoter dismiss the wagons to be scrapped according to its standard Scrapping and Sale of Wagons and Spare Parts Procedure, ensuring a unified handling of scrapping and sale of wagons due to their technical conditions and safeguarding the operating safety and optimising the fleet structure. Usually, it is requiring the outsourcing of this activity to a registered company that will be in charge of vehicle scrapping according to its national legislation.

EIB Carbon Footprint Exercise

According to the Bank's services, the Project is estimated to contribute to reduce traffic-related CO2 emissions by almost 260 000 tonnes per year. This level of savings in CO2 emissions is the result of an absolute level of CO2 emissions deriving from the transportation of goods on the new freight wagons of about 121 000 tonnes per year, which has to be compared to the baseline reference scenario (alternative mode of transportation of goods by road transportation) of about 381 000 tonnes per year emitted. This is an outstanding result for sustainable transport.