

Environmental and Social Data Sheet

Overview

Project Name:	SAPEC AGRO RDI
Project Number:	20140351
Country:	Portugal & Spain
Project Description:	Funding Sapec Group investments in Research, Development and Innovation (RDI) related to the development and registration of plant protection and plant nutrition products as well an investment program to modernise its existing production sites in Spain and Portugal covering the period from 2014 to 2018.
EIA required:	Yes, for capital investment programme at the Setubal plant.
Project included in Carbon Footprint Exercise ¹ :	No.

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

The Research, Development and Innovation (RDI) activities focus on the development of innovative chemical and biological plant protection as well as nutrition products and their authorization according to the EU regulatory framework. The work will be carried out within existing R&D facilities in Portugal and Spain and does hence not involve the construction of new nor the modification of the existing R&D centres nor pilot plants nor other activities that might fall under the EIA Directive 2011/92/EC.

The investment programme also foresees a series of small capital investments at the existing, already permitted production sites of the Promoters in Portugal and Spain to incorporate process innovations and modifications required for production of new products as well as achieving higher energy and resource efficiency. These modifications to permitted industrial chemistry complexes fall under Annex II of the EIA Directive 2011/92/EU. Considering the different management systems put in place, the environmental and social capacity of the promoter's is deemed as good.

Capital Investments in Portugal:

The Promoter consulted the competent authorities and, as a result, a new EIA has been requested for the industrial site of Setubal according to the applicable environmental legislation that transposes the EU EIA and the Industrial Emissions (2010/75/EC) Directives into Portuguese legislation. The environmental impact study

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.

was submitted to the Authorities at the end of 2014 and mandatory public consultation will be carried out during the approval process that is expected to be concluded by mid-2015. A contract undertaking will require the submission of the environmental permit once granted.

Capital Investments in Spain:

Investments at the industrial sites in Spain will be notified to competent authorities who will decide on the basis of the Spanish environmental legislation on the environmental permitting requirements. Both plants hold valid environmental and operation permits granted under the provisions of the EIA and IE Directives. A contract undertaking will require the submission of the relevant environmental permitting information associated to the investment programme at the industrial sites in Spain to the satisfaction of the Bank.

Based on these considerations the project is considered to meet the EIB environmental and social standards and is hence acceptable for Bank's financing.

Environmental and Social Assessment

Environmental Assessment

The Promoters hold ISO 9001 and ISO 14001 for all their industrial facilities and comply with the requirements SEVESO Directive (2012/18/EU) and the REACH Regulation (1907/2006/EC). The Promoters have stringent environment, health and safety policies (EHS) in place. Due to their activities, they are subject to frequent internal as well as external audits by the local Portuguese and Spanish competent authorities.

The industrial site in Setubal, Portugal, is a formulation plant for chemical crop protection products using active ingredients synthesised in other locations. The production site is located in a dedicated industrial area close to the city of Setubal and is adjacent to the NATURA 2000 site PTCON0011 "*Estuário do Sado*". The potential impacts of the industrial plant due to its new project components have been assessed in the Environmental Impact Study. The assessment concluded that they will not have any significant effects on the Natura 2000 site concerned. Following EIB procedures Form A has been submitted by the promoter to the competent authorities. A disbursement condition will require the submission of the signed document to the Bank.

In fact, some of the measures foreseen in the investment programme for the industrial site at Setubal are voluntary measures targeted at reducing the risk of environmental impact of activities. The Promoter will invest into the construction of a rainwater collection system that is able to retain storm water for environmental monitoring before releasing it and supplementary environmental monitoring systems will be installed. The industrial site incorporates the best available technology for emission abatement and its processes are designed to maximise reutilisation of process water and minimise generation of waste. Waste water from the formulation

process is collected in storage tanks and picked up by a professional waste management company at regular times. Collection and treatment of solid packaging waste is externalised to a professional service provider.

The two sites in Spain are located within existing designated industrial areas and distant from any nature conservation site. Following EIB procedures Form A has been submitted by the promoter to the competent authorities. A disbursement condition will require the submission of the signed document to the Bank.

The investment programme at the Spanish sites includes two environmental measures: the installation of a new system for treatment of effluents which will allow reusing processed water and the modification of the plant energy supply units so that biomass and natural gas can be used as energy sources.

Public Consultation and Stakeholder Engagement, where required

In Portugal, the process for public consultation is defined in the Decreto-Lei n.º 151-B/2013. The public consultation period can only take place after the competent authorities issue an EIS conformity declaration and will include a public exposition of project documentation for 15 days after notification in local municipal bulletin and press.

Other Environmental and Social Aspects

SAPEC AGRO holds OHSAS 18001 certification and the Laboratory accreditation ISO17025 for its main quality control laboratory at Setubal. Compliance of R&D experimental activities with relevant EU and local legislation regarding the testing of experimental products under laboratory and field condition has been ascertained for SAPEC (GEP permits).

The Promoters commission a significant amount of development and registration activities to trusted service companies for the realisation of studies required by the regulatory authorities under the provisions of Regulation 1107/2009. These service companies evaluate and authorise products for its use and marketing as plant protection products. A list of laboratories that are collaborating with the promoter has been provided, along with the corresponding GLP certification and, where applicable, GEP permits for experimental field studies. They operate in compliance with the relevant EU legislation.