

## Environmental and Social Data Sheet

### Overview

Project Name:	Acerinox manufacturing modernisation
Project Number:	2016-0901
Country:	Spain
Project Description:	The project comprises the promoter's capital expenditures related to the replacement of end-of-life stainless steel production equipment by implementing a new cold rolling mill and an annealing and pickling line in its stainless steel plant located in the cohesion region of Andalucía (Spain).
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment:

The project comprises the installation of two new production lines for stainless steel production in new buildings within their existing facilities already authorised for this purpose. Changes or extensions of Industrial Facilities for the production and processing of metals which may have significant adverse effects on the environment fall under Annexe II of the EIA directive. The local competent authorities confirmed that the project represents a modification of the integrated steel works not having significant adverse effects on the environment. This decision of the local competent authority dated 14/3/2016 has been provided to the EIB by the promoter. The project does therefore not require an EIA according to Directive 2011/92/EU. Work and construction permit have as well been provided to EIB.

The project site operates in compliance with ISO 14001 Environmental Management System.

Regarding size and technology this project is a typical operation in the steel sector. It is implemented by a promoter familiar with these types of installations. During implementation main impacts will result from activities typically related to construction sites, such as dust, increased road traffic, transport of equipment and noise. These impacts are temporary, limited to the construction phase, and can be mitigated by appropriate planning and construction practices.

Considering the operation of the equipment it has been designed to be in line to the Best Available Techniques (BAT). The energy consumption of the new cold rolling mill will slightly increase due to superior performances of the new equipment, required to reach superior stainless steel qualities. Nevertheless, the overall CO<sub>2</sub> emissions of the project are slightly

lower compared to a baseline scenario based on a carbon footprint calculation. The overall impact of the project will be beneficial

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

Luxembourg, 24 July 2017

for the environment mainly due to the replacement of old equipment by state-of-the art new equipment and technologies. The project will entail a small CO<sub>2</sub> emissions reduction, a considerable reduction of oily sludge that needs to be landfilled, a reduction of average oil consumption in the cold rolling process, of chemicals consumption in the pickling process, a water consumption reduction as well as lower NO<sub>x</sub> emissions.

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

The project is located in Andalucía, a Cohesion Region with the second highest unemployment rate in EU (Eurostat - April 2016). This project will contribute to sustaining stainless steel manufacturing in Andalucía, which at present employs directly about 2,000 people. Furthermore, the project is expected to involve about 250 person-years during implementation and generate 55 new FTEs.

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

Acerinox is particularly strict and demanding in terms of adopting all the measures necessary to guarantee that its employees carry out their duties in the safest conditions possible to reduce accidents. Hence Acerinox applies rigorous safety regulations that go well beyond current legal requirements.

## **Conclusions and Recommendations**

This type of project falls under Annex II of the EIA Directive and has been screened out by the local competent authorities. Thus the project does not require an EIA according to Directive 2011/92EU. The project adheres to best available techniques (BAT) as identified by the European Commission for the iron and steel production and ferrous metal processing industry.

The project will not result in additional negative environmental and social impacts compared to the situation without project. It is therefore considered acceptable for Bank financing.

PJ/SQM/ECSO 19.06.2017