Luxembourg, 19/07/2017

# Environmental and Social Data Sheet

## Overview

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| Project Name: | *Romania Recycling and Circular Economy Project* |
| Project Number: | *2016-0908* |
| Country: | *Romania* |
| Project Description: | The project comprises investments to increase the promoter's capacity for: i) collection of recyclable materials; ii) production of Polyester Staple Fiber from PET flakes; and iii) recycling of waste electric and electronic equipment in Romania in support of the transition to a circular economy and attainment of national recycling targets. |
| EIA required: | no<br><br>According to the information provided by the company, the EIA was not required according to the Romanian Law; however, a relevant Environmental Permit for the new plant will be issued upon the plant completion. The delivery of this permit will be included in the Finance Contract as a condition. |

Project included in Carbon Footprint Exercise[1]: no

## Environmental and Social Assessment

### Environmental Assessment

The Project concerns investments in expansion of the Promoter's capacity for: i) collection of recyclable materials; ii) production of Polyester Staple Fiber (PSF) from PET flakes; and iii) recycling of waste electric and electronic equipment (WEEE).

The recycling of PET involves PET bottle shredding, washing, separation through flotation and extrusion of PSF from PET flakes. This process generates waste water and solid waste. The waste water is treated on site and the effluent discharged to an existing waste water channel which feeds into the local river. The company has a valid environmental permit for waste water discharge and its effluent is within the discharge limits set out in the permit. Solid waste (various types of plastic, other than PET) is sold to companies specializing in recycling of such plastic materials.

The recycling of WEEE involves dismantling, draining all hazardous agents (e.g. halocarbons, mercury, oils), shredding and separation of resulting fractions. Each of the hazardous agents is treated according to the procedures established for such type of agent. Specifically: the halocarbons are collected in special tanks and delivered for utilization to a specialized plant, which operates under permit to treat halocarbons; mercury is separated from the cathode ray tubes, distilled and stored on site to be later transferred to a specialized plant capable of utilizing mercury. The used oils are sold to companies who have permits to use them as fuels.

[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.

The company currently is in the process of changing off-taker for mercury and therefore stocks this material on site in containers protected according to the existing laws.

For each of the sites and for each of the processing activities, the company has required environmental permits and undergoes regular inspections. No cases of non-compliance were reported.

The recycling activities of the company have tremendous positive environmental impacts. By diverting the waste for recycling it reduces the landfill disposal of such wastes and associated adverse impact in environment and public health. The recycling of plastics and metals reduces the need for raw materials and since recycling has a net reduction of greenhouse gases the project also fully contributes to climate action by mitigation.

The project also contributes to the transition to a circular economy in Romania and to attainment of its recycling targets, where the performance today is low compared to other EU countries.

### Social Assessment, where applicable

The project does not involve any resettlement or vulnerable groups, as it is limited to redevelopment of existing industrial sites.

The company is bound by Romanian labour legislation (EU acquis compliant) and adheres to them. The compliance with the legislation is subject to regular inspections by the state authorities. Due to the nature of the operations involving hazardous materials and machinery, the staff is subject to regular Health and Safety trainings and the Personnel department keeps the register of staff training needs and ensures compliance. The Health and Safety procedures are regularly updated based on periodical risk assessments.

### Public Consultation and Stakeholder Engagement

No public consultations for this project were required and no consultations were carried out. However, the Romanian construction law (EU acquis compliant) provides for public consultation processes related to land zoning, changes in local and regional development plans and issuing of construction permits, which ensures that all involved parties have opportunities to voice their concerns.

### Other Environmental and Social Aspects

None

## Conclusions and Recommendations

The proposed project brings substantial positive environmental impacts by reducing landfill disposal of recyclable waste, thereby reducing the extraction of virgin resources. The project also contributes to the transition to a circular economy in Romania and to attainment of its recycling targets.

Emissions from facilities related to the operations of the project are well documented, managed, subject to regular inspection and within discharge limits set out by the existing legislation.

The key E&S Contractual Conditions include:

- Deliver the Environmental Permit for the new PSF plant in Urzicani as soon available
- Provide an Environmental Compliance Report detailing key environmental permits necessary for company operations, with relevant expiry and renewal dates and cases of non-compliance on annual basis.

Based on the above, the project is acceptable for EIB financing in E&S terms.