

Environmental and Social Data Sheet

Overview

Project Name:	SPCM NEW FACILITY
Project Number:	20180422
Country:	FRANCE
Project Description:	Financing of the construction of a greenfield polyacrylamide production facility in Dunkirk as well as RDI investments for the period 2019-2022.
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ : (details for projects included are provided in section: "EIB Carbon Footprint Exercise")	yes

Environmental and Social Assessment

Environmental Assessment

The project consist of two main elements:

1. The deployment of innovation: the construction of two first-of-a-kind large-scale acrylamide (AM) and polyacrylamide (PAM) production lines using advanced, more productive and efficient industrial biocatalysis technology. The promoter is a leading player in the development of this biocatalysis process: a process that is currently replacing the traditional copper catalyst process - all players in the sector are moving to this biotechnology. This technology produces less than a fifth of the CO₂ emissions of the traditional copper catalyst process and nearly no by-products. Furthermore, no concentration or purification steps are required, thus reducing running costs with lower environmental impact.

One line will be installed on an already existing production site, and the other is a greenfield construction. Both facilities will be built in well-developed industrial area and will not result in any negative impact on protected areas, Natura 2000 areas, cultural objects or human life and health.

This newly added capacity on the existing site requires an update of the existing environmental permit due to the capacity increase, while the greenfield project requires a new environmental permit – in line with the EU Industrial Emissions (Directive 2010/75/EU). The documentation for application of these permits has been submitted to the French competent authority in June 2018; the permitting process is expected to take about 12 months and includes a full Environmental Impact Assessment in line with Directive 2014/52/EU amending the Directive 2011/92/EU.

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.

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Both production sites fall under the EU Directive 2012/18/EU (Seveso III) addressing hazards involving dangerous substances due to the storage of acrylonitrile and handling of acrylic acid. The reactors are designed to maximise process yield and minimise losses and emissions by the use of dedicated, purpose-designed automatic control system and storage and production management procedures. The new Dunkirk site and the additional new lines on the Andrezieux site are not expected to have any additional hazards over the ones that currently exist.

1. Research and Development: the company's R&D programme that focuses on the development of specific products that aid to make wastewater treatment, mineral processing and agricultural activities more efficient and less resource-intensive; addressing the societal challenges related to clean water, scarce resources and soil quality conservation.

These R&D activities will be carried out in the promoter's existing facilities in Andrezieux, France. This type of RDI activities is not mentioned in the EIA Directive. Therefore they do not require an EIA according to the Directive 2014/52/EU amending the Directive 2011/92/EU.

EIB Carbon Footprint Exercise

Estimated annual CO₂ emissions of the project in a standard year of operation are 145,000 tonnes CO₂e per year. Although the capacity expansion will almost triple the AM capacity and double the PAM capacity in France, the overall CO₂ emissions of the company's operations in France will only increase about 70% compared to the 2017 level due to more efficient processes.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost'.

Social Assessment, where applicable

The project will safeguard the current workforce: SNF France currently employs 1200 FTEs, of which 150 belong to the R&D personnel. The new facility in Dunkirk will require about 200 newly hired employees.

Other Environmental and Social Aspects

The environmental management system complies with ISO 14001 and the Occupational Health and Safety management System to ISO 45001. Synergies from both these management systems exist within the ISO 9001 Quality Management System. The Andrezieux site is certified to these management standards, which are regularly audited by an external organisation so to demonstrate continuous improvement.

As a signatory to the UN Global Compact since 10 years, the company makes every effort to apply and promote the principles laid down therein, in particular those concerning working conditions, respect for the environment and the fight against corruption.

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The products produced aid to make wastewater treatment, mineral processing and agricultural activities more efficient and less resource-intensive; addressing the societal challenges related to clean water, scarce resources and soil quality conservation.

Conclusions and Recommendations

The RDI part of the project is not considered to have any environmental impact.

The newly constructed AM and PAM lines will use state-of-the-art technology with substantially lower environmental impact than the traditional energy intensive copper catalysis.

First disbursements will be linked to the receipt of the full EIA report, prepared in line with the EIB Environmental Standards, for the new greenfield facility in Dunkirk.

The Promoter will timely inform the Bank on the approval of the updated Integrated Environmental Permit from the Competent Authorities as required under the EU Industrial Emissions Directive for the Dunkirk project and the new lines in Andrézieux: i.e.

- submission of the full Environmental Impact Assessment reports;
- information on the public participation process, and;
- the final decision.

In terms of social impact, the project will create about 200 new jobs in a less developed region in France.

Considering the above, the project is acceptable for financing in environmental and social terms.