

## **Environmental and Social Data Sheet**

### **Overview**

Project Name:	SALZGITTER STEEL RDI
Project Number:	2017-0131
Country:	GERMANY
Project Description:	The project covers the promoter's RDI and digital transformation expenditures of its iron and steelmaking and its beverage filling and packaging equipment businesses for the years 2018-2021.
EIA required:	no
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

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

### **Environmental and Social Assessment**

#### **Environmental Assessment**

The project encompasses the promoter's R&D activities as well as its investments in digitalisation and advanced manufacturing. The RDI activities focus among others on the development of new steel products and solutions, more efficiency steel manufacturing processes and new beverage filling and packaging equipment.

All activities included in the project do not fall under any Annex of the EIA Directive 2014/52/EU amending the Directive 2011/92/EU; moreover, they will be carried out in existing facilities already authorised that will not change their scope due to the project.

Minor residual impacts will remain, deriving from the laboratory and industrial scale tests of production processes. However, the expected products and process improvements resulting from various R&D activities are expected to bring some positive environmental impacts: First, by improving the energy and resource efficiency of both, the manufacturing facilities and downstream applications. Second, by developing lightweight steels and new electrical steels crucial for the transformation towards electric mobility as well as new steel solutions for wind power plants. Third, by developing new low carbon steelmaking processes based on hydrogen.

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<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, 11 December 2018

## Other Environmental and Social Aspects

The project complies with national and EU legislation. Awareness on environmental protection and operational health and safety is well integrated into the group's corporate culture but is independently managed at the level of the different companies of the group. The promoter's main R&D facility which will implement a major part of the current project is certified according to the following standards: ISO 9001 (Quality management systems), ISO 14001 (Environmental management systems) and OHSAS 18001 (Occupational health and safety management systems). In addition, the promoter's major manufacturing facilities as well as the majority of its smaller manufacturing facilities are certified ISO 9001, ISO 14001, ISO 50001 (energy management system) and OHSAS 18001. At group level, the promoter publishes data relevant for the environment such as water consumption or certain emissions to air.

The company has a clear view on environmental, social and governance matters and additional information is published in the group non-financial report: (<https://www.salzgitter-ag.com/fileadmin/reports/2017/nfr/en/downloads/szag-non-financial-report-2017.pdf>).

## Conclusions and Recommendations

Considering the above, the project's direct environmental impact is expected to be limited, whereas some outcomes and products of the project are likely to contribute to more efficient steel manufacturing and will support the transformation towards electric mobility. The project is thus acceptable for financing by the Bank in environmental and social terms.

### Contractual undertaking:

In case the promoter is notified by one of the competent environmental authorities that – contrary to current knowledge and expectation – one of the components constituting the project should require an EIA or equivalent, a copy of such EIA needs to be sent to the EIB once established.