



European Investment Bank (EIB)

Luxembourg, 14.10.2020

Environmental and Social Completion Sheet (ESCS)

Overview

Project Name:	ARVEDI MODERNISATION PROGRAMME
Project Number:	2014-0677
Country:	Italy
Project Description:	The promoter's modernisation programme with investments (a) addressing energy efficiency and emission improvement measures and (b) responding to market requirements with further downstream value adding processes. The project sites are located in Cremona and Trieste, both in Northern Italy.

Summary of Environmental and Social Assessment at Completion

EIB notes the following key Environmental and Social outcomes at Project Completion.

The different components of the Project have been successfully implemented with the following positive environmental impacts:

(i) New electric arc furnace (EAF) including a waste heat recovery system replacing an old EAF did lead among others to significant improvements of the following parameters:

- decrease in specific electrical energy consumption
- decrease in specific natural gas consumption
- decrease in dust emissions
- heat recovery system providing steam to the steel plant from waste heat

Overall, the project has been implemented in accordance with the environmental permit of the industrial site (AIA – Autorizzazione Integrata Ambientale).

(ii) The implementation of the new cold rolling mill and mitigation measures at the Trieste primary steelmaking site did have the following aims among others:

- Sealing of general yards and raw materials storage areas
- Collection of rain water from the yards with a separation of first-5-minutes storm water with respective treatment
- Installation the cold rolling mill including annealing furnace and pickling line

According to the promoter, the new cold rolling mill as well as all mitigation measures have been implemented in accordance with the valid environmental permit of the industrial site (AIA – Autorizzazione Integrata Ambientale). Furthermore, since April 2020 the primary steelmaking activity at the Trieste site has been stopped permanently. The shutdown of the coking plant and the blast furnace will further reduce emissions on the site. According to the promoter, the shutdown of the primary steelmaking and the future plans for the industrial site will be subject to a renewed AIA.

Both contractual environmental conditions of the operation are listed below:



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- *'Disbursements of the funds related to the EAF in Cremona can only take place after having received a copy of the NTS of the EIA for this component.'*
- *'Disbursement of the funds related to the pickling line in Trieste can only take place after having received a copy of the NTS of the application for the new AIA for the Trieste site.'*

Both conditions have been fulfilled to the satisfaction of the Bank. No significant differences in project execution related to environmental and social impacts have been noted during the project implementation and the initial operational phases. Overall, no significant environmental and/or social issues were noted.

The promoter company Acciaieria Arvedi is well managed with regard to corporate and social responsibility - CSR. It has policies, procedures and plans in place ensuring continued improvements. Its main manufacturing site located in Cremona has recently been certified EMAS – Eco-Management and Audit Scheme. In addition, this site is certified ISO 140001 for its environmental management system and ISO 45001 for its occupational health and safety management system.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion based on reports from the promoter during implementation and at completion that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.