



Luxembourg, 18 December 2023

**Public**

## Environmental and Social Data Sheet<sup>1</sup>

### Overview

Project Name: OTUA- INNOVATIVE CIRCULAR ECONOMY INVESTMENTS  
 Project Number: 2023 0473  
 Country: SPAIN

**Project Description:**

The Project, located in the Spanish Basque Region, comprises two components: (1) The construction of a new plastics recycling plant for treating automotive shredder residues and (2) investments in existing facilities for shredding and sorting metal waste.

EIA required:	no
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise <sup>2</sup> :	yes

### Environmental and Social Assessment

#### Environmental Assessment

Otua Group (the Promoter) is a well-established metal component waste recycler in southern Europe, primarily focused on shredding and sorting metal from various industrial streams.

The Project involves constructing and operating a 122,000 tonnes per year capacity plastics recycling plant for Automobile Shredding Residues (ASR), and several investments to enhance the metal recycling quality and quantity in three existing facilities situated in Goian industrial area, in Legutio (Álava).

Both Project components will increase the recovery of high-quality secondary raw materials while reducing the environmental impact compared to alternative waste handling methods. The output of the Project is aligned with European Union (EU), national and regional waste regulations and circular economy initiatives, namely the End-of life vehicles Directive (2000/53/EC, as amended), the proposed Regulation on circularity requirements for vehicle design and on management of end-of-life vehicles (COM(2023) 451 final and its annexes), the EU Waste Framework Directive (2008/98/EC, as amended), transposed to the Spanish

<sup>1</sup> The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary.

<sup>2</sup> Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO<sub>2</sub>eq/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>eq/year relative (net) – both increases and savings.



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legislation by means of the Law 7/2022, the Spanish Circular Economy Strategy and Action Plans and the regional Euskadi 2030 Waste Prevention and Management Plan.

The Competent Authority (CA) for Environment is the Department of Environment, Territorial Planning and Housing, of the Basque Country. The Project was subject to an Environmental Impact Assessment (EIA) screening in line with the EIA Directive 2011/92/EU, as amended by the Directive 2014/52/EU and transposed to the Spanish Legislation by the Law 21/2013. The Project falls under Annex II of the Law and was screened out using the criteria included in Annex III. On May 15, 2020, the CA issued a decision that no significant environmental impacts should be expected. Therefore, no EIA ordinary report is required.

The Promoter has requested to the CA a non-substantial modification of the Integrated Environmental Permit, to slightly change the location of the ASR recycling plant, inside the same industrial area and to increase the production capacity above 100,000 tonnes/year as originally planned. This non-substantial modification does not imply a modification of the EIA screening decision, as it only affects the Integrated Environmental Permit.

### **Environmental Impacts**

The Project contributes to increase the recovery of high-quality secondary raw materials from industrial waste, and consequently diminishes the environmental and climate footprint associated with the Promoter's activities. This reduction is primarily achieved by diverting waste away from landfills and refuse-derived fuel (RDF) energy recovery. The Project contributes to the reduction of the share of unvalued materials contained in end-of life vehicles.

The environmental impacts during both the construction and operational phase are expected to be minor due to the investment's nature and location within an existing industrial area. The CA analysed the possible impact of the activity on the Special Conservation Area (SCA<sup>3</sup>) of the Zadorra river (ES2110010), located in the vicinity of the plot, and assessed that no significant effects will be produced on the conservation objectives. It can be considered that this assessment remains for the new location of the plant, given its proximity to the original location foreseen.

The Project will be aligned with the Best Available Techniques for waste treatment and construction. In addition, the implementation of an environmental monitoring programme will mitigate potential negative environmental impacts.

### **Climate Assessment**

The Project contributes to the reduction of greenhouse gas emissions by supporting the recovery of high-quality secondary raw materials from metals and ASR. The Project also mitigates environmental and climate change impacts of current waste disposal practices, especially landfilling and the use of refuse-derived fuel.

All Project components are and will be in newly or existing constructed buildings within an industrial area, requiring no additional climate adaptation measures beyond the engineering solutions ensuring compliance in existing building codes and safety regulations.

### **EIB Paris Alignment for Counterparties (PATH) Framework**

The Project has been assessed for Paris Alignment and is considered to be aligned both against low carbon and resilience goals against the policies set out in the Climate Bank Roadmap (CBR).

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<sup>3</sup> Special Conservation Area included in Natura 2000 network.



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The counterparty is in scope and screened out of the PATH framework, as it is not considered high emitting or high vulnerability.

### **EIB Carbon Footprint Exercise**

The Project's carbon footprint is based on the estimation of the greenhouse gas (GHG) emissions associated with the new plastics recycling plant. The Project is expected to decrease GHG emissions, with a relative reduction of -11,800 tonnes of CO<sub>2</sub>eq per year based on absolute GHG emissions of 77,000 tonnes of CO<sub>2</sub>eq per year and baseline GHG emissions of 88,800 tonnes of CO<sub>2</sub>eq per year.

### **Social Assessment**

The Project is expected to create direct employment during the construction and operation of the new plastics recycling plant, as well as to maintain employment in the existing shredding and sorting facilities. The Project will generate wider socio-economic effects, notably on public health - aiming to reduce noise and diffuse dust emissions, and by reducing environmental risks.

### **Public Consultation and Stakeholder Engagement**

The EIA screening and the Integrated Environmental Permit were subject of the mandatory public consultation period, in compliance with European and Spanish legislation, prior confirmation of the decision by the competent Authorities.

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

The Promoter adheres to ISO 9001 (quality) and ISO 14001 (environment) management systems to ensure that they are integrated into all its processes.

## **Conclusions and Recommendations**

The Project will increase material recovery from ASR waste and metal scrap, reduce environmental and climate change impacts, and support the transition to a more circular economy. It will generate positive externalities, including reducing GHG emissions, and creating employment.

The Bank will include the following Condition for Disbursement in the finance contract:

Prior to the disbursement for the Project Component "New plastics recycling plant (construction works and equipment)", The Promoter will receive and will send to the Bank all the necessary permits approved by the Competent Authorities for the Project component "New plastics recycling plant (construction and equipment)", including those related to the location and the new nominal capacity above the current authorisation that is for a nominal capacity of 100,000 tonnes/year.

Therefore, subject to the condition mentioned above, the Project is in line with the EIB Climate Roadmap and acceptable for EIB financing in environmental and social terms.