

Environmental and Social Data Sheet

Overview

Project Name:	ANIMAL NUTRITION CAPACITY EXPANSION
Project Number:	2020-0051
Country:	Spain
Project Description:	The operation concerns investments in expansion, upgrading and modernisation of the promoter's production, logistics and storage facilities over the period 2020-2023.
EIA required:	Multi-component project EIA requirements vary.
Project included in Carbon Footprint Exercise ¹ :	Yes

Environmental and Social Assessment

Environmental Assessment

The company specialises in the production and distribution of dry food for dogs and cats. The EIB operation will finance the expansion of the promoter's annual production capacity from 187,000 tonnes to 327,000 tonnes of dry pet food through the construction of a new building, the adaptation of an existing building and the installation of the corresponding mixing, forming and drying equipment adjacent to its existing production plant, all located within an industrial zone.

The project comprises several investments that fall under Annex II (item 7 b - Packing and canning of animal and vegetable products) of the EIA Directive 2011/92/EU as amended by Directive 2014/52/EU and under Annex I of the Industrial Emissions Directive 2010/75/EU (item 6.4 b (iii) animal and vegetable raw materials, both in combined and separate products). Therefore, the project is subject to an analysis to be carried out by the competent authority to determine whether an EIA is required.

Following consultation with the administrative and the competent authorities, the Promoter split its expansion project in two phases. Phase 1 to focus on the expansion of storage capacity, which includes building of the storage silos in an empty plot and the adaptation of the existing building with its associated new storage silos. Phase 2 will focus on the increase of production capacity and includes the construction of the new building and installation of all production-related equipment and a bridge between the two buildings to convey finished products to the storage silos of the second building. The competent authority decided that for Phase 1 an EIA was not required and issued the screening-out decision on 30/01/2020. The construction permit associated with the civil works of Phase 1 has been issued by the Azpeitia Municipality (No. 2020-1284 dated 21/04/2020).

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 20,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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After the consultation with the competent Authority for Phase 2, this part of the project was screened in and an EIA is currently being prepared by the Promoter, along with other documents required by the Authority. This was required as Phase 2 aims at increasing production capacity, and requires a substantial modification of the existing integrated environmental permit before commencing the works.

The EIA Report under preparation includes also the cumulative impact assessment considering not only the cumulative impacts of Phase 1 and Phase 2, but also the cumulative impact of the entire plant, as it will be operated once works are completed.

Moreover, the Promoter has developed an internal policy for ensuring quality, environmental protection and food safety. In addition, the Promoter has obtained the IFS (International Featured Standard) Food 6.1 certification and intends to extend this certification to the new facilities as soon as they are completed.

EIB Carbon Footprint Exercise

The GHG emissions were calculated according to the EIB project carbon footprint methodologies. After the project implementation, emissions due to the plant operation will increase from the current 15.31 Kt CO₂eq per year to 26.95 Kt CO₂eq/y. These figures take into consideration emissions associated with electricity drawn from the national electricity grid and emissions due to the on-site combustion of natural gas for the production of the necessary process heat, including the use of dryers.

In the current strong growing market scenario for pet food, for the baseline case it is assumed that any demand that in a without-project scenario would not be met by the promoter, would be met by alternative existing and new capacity built by competitors using existing and less efficient capacity and partially by new BAT plants with similar emissions profiles like the one to be built by the Promoter. Under this approach, relative emissions would therefore be considered 0 Kt CO₂eq/y, in the knowledge that the plant would most probably bring about some emission savings when comparing with alternative built existing capacity.

Other Environmental and Social Aspects

The project will create 74 new FTE jobs during operation in addition to providing support to all 148 current employees by ensuring the company's long-term position in the market. Moreover, some 20 FTE jobs will be generated during the construction phase.

Conclusions and Recommendations

The project is considered acceptable for EIB financing in environmental and social terms, subject to the following contractual condition for disbursement:

1. submission to the EIB of the EIA report for Phase 2 , including public comments, if any, and the revised Integrated Environmental permit;
2. submission of the building permit for Phase 2

Lastly, the promoter undertakes to submit to EIB copies of the new facility's operational permit once issued.