

Environmental and Social Data Sheet

Overview

Project Name:	PROSOL AGROFOOD AND RDI INVESTMENTS
Project Number:	2019-0448
Country:	Spain
Project Description:	The project comprises of RDI and CAPEX investments to optimize and support the expansion of the Promoter in the coffee capsules and instant coffee business.
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 coffee capsules and instant coffee. The EIB operation will finance the expansion of the promoter's production capacity by 2 954 tonnes of coffee per year through the expansion of the existing facilities and the installation of the corresponding processing and packing equipment. Existing and new facilities are located within an existing industrial zone. There are no close nature conservation sites to the plant. The project therefore, is not expected to affect any special protection areas, such as Natura 2000.

The project comprises several investments that fall under Annex II of the EIA Directive 2011/92/EU as amended by Directive 2014/52/EU. However, according to the current regulations in the Province of Castilla and Leon, the Promoter is below the threshold of 300 tonnes of daily throughput and below the heat power combustion threshold of 50 MW and therefore does not require an integrated environmental license nor an environmental communication. According to this legislation therefore, the Promoter only requires an Environmental License issued by the municipality, which will not require changes due to the project, as it will not take the Promoter above the thresholds mentioned above. The Promoter is yet to request the required building permit.

The Promoter has made the development of compostable/degradable packing a core item in its RDI program. The research will also ensure that the existing and the new productions lines will be easily adaptable to use the future compostable/degradable pods with only minor modifications and modest additional investments. RDI activities occupy a significant (22%) share of the project's investment costs.

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.

The Promoter has obtained the BRC (British Retail Consortium), the IFS (International Featured Standard) Food 6.1 certification, the Residuo Cero certification and intends to extend these certifications 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, absolute emissions due to the plant operation will raise from the current 18.86 Kt CO₂eq per year to 21.21 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 coffee pods and capsules, 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. On this non-regret 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.

Social Assessment

The Promoter procures a large proportion of its green coffee from Vietnam, benefiting from its supplier's local presence. Green coffee is thus procured through this agent from selected warehouses which work with producers trained according environmental and social best practice. To ensure adherence to EIB social standards the promoter agreed to monitor and report on these purchases throughout the duration of the project.

The project will create 49 new permanent FTE (full-time equivalent jobs) in addition to providing support to all 360 current employees by ensuring the company's long-term position in the market. During construction, the project will generate 26 FTE jobs.

Conclusions and Recommendations

The project is considered acceptable for EIB financing in environmental and social terms, subject to the undertaking by the Promoter to submit annual copies of its coffee procurement monitoring. The monitoring will include a certification from the promoters' coffee supplier from Vietnam where they confirm that following their field interaction with the coffee producers they certify that during that specific year there has not been any use of child labour by the producers or processors of coffee sold to the Promoter.

In addition, the promoter also commits to the undertaking to submit copies of the revised operational permit, once issued.