

Environmental and Social Data Sheet

Overview

Project Name:	ARLA FOODS DAIRY RDI
Project Number:	2019-0322
Country:	Denmark
Project Description:	Financing of (i) RDI activities to develop new and more sustainable food products and processes and (ii) investments in a new innovation centre. The project will be all implemented in Denmark.
EIA required:	No
Project included in Carbon Footprint Exercise ¹ :	No

Environmental and Social Assessment

Environmental Assessment

The purpose of the project is to finance (i) RDI activities to develop new and more sustainable food products and improve resource utilization in the food production processes and (ii) investments in a new Innovation Centre.

Besides the research dedicated to New Product Development (NPD), technology development and improvements, the RDI projects are centred around introducing new technologies or improving existing technologies that can reduce waste and save resources such as energy, water, or raw materials, among others. The results of these projects not only help the Promoter to save resources, but also have a positive environmental impact as they reduce its overall environmental footprint.

Being part of a dairy processing facility, the building of the new Innovation Centre was assessed by the competent authority, the Danish Environmental Protection Agency, to fall under Annex II of the Directive 2014/52/EU amending the EIA Directive 2011/92/EU (item 7 (c) Manufacture of dairy products) and a screen out decision was taken in July 2019. The agency then issued an environmental approval for the construction of the Innovation Centre, which requires compliance with all existing environmental legislation. In this permit, it is also stated that the project does not affect any Natura 2000 site, as the closest one is located more than 5 km away and no emissions can possibly reach it. The environmental permit also confirms that the project will be BAT compliant. Pilot testing and experiments related to NPD that will be conducted in the new facility, are activities demanding only a minor volume of utilities, which are all within the current utilities capacities of the existing production plant, co-located with the Innovation Centre.

The RDI programme pursued by the Promoter aims to develop innovative products, some of which with improved qualities in terms of nutrition and are therefore expected to have a positive impact on consumers' health.

¹ 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 CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

Luxembourg, 27 January 2020

Other Environmental and Social Aspects

Overall the Promoter follows HACCP, ISO 22000, ISO 14000 quality standards and the Foundation Food Safety System Certification 22000 (FSSC 22000) standards in all its facilities in Denmark. These existing production facilities are Halal and Kosher certified, with yearly audits. The new Innovation Centre will be compliant with the Danish Building Regulations of 2018 (BR18).

Overall, Arla has the target to reduce total carbon dioxide emissions by 30 per cent during the period 2015-2030. This target includes a 30% absolute reduction in greenhouse emissions within Scopes 1 and 2 and 30% reduction in greenhouse emissions per kg of raw milk as part of Scope 3.

Conclusions and Recommendations

The RDI programme supported through this project aims at developing innovative dairy products with better nutritional properties and functionality, as well as improving the overall resource efficiency and sustainability in its processing activities. The Innovation Centre has already obtained its environmental permit from the environmental authorities. The direct environmental impacts of the RDI activities are negligible and the indirect environmental impacts of the processing are positive. The Bank deems the Promoter's environmental capacity satisfactory and the project is acceptable for EIB financing in E&S terms.