



Luxembourg, 13/06/2022

Environmental and Social Data Sheet

Overview

Project Name:	<i>Grupo Jorge RDI for sustainable rearing</i>
Project Number:	<i>2021-0308</i>
Country:	<i>Spain</i>
Project Description:	<i>The project relates to the financing of the promoter's RDI activities and related CAPEX between 2021 and 2025 in order to develop and confirm new technologies for sustainable rearing and deploy green energy sources for self-consumption in Spain.</i>
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	yes

Environmental and Social Assessment

Environmental Assessment

The project consists of an investment programme in Spain with a component on research and development, and a component aiming at reducing the carbon footprint of the promoter, active in intensive pig farming. Spain is applying the Directive 2011/92/EU as amended by the Directive 2014/52/EU, through an integrated environmental authorisation (IEA) granted by the regional government, using a 2-stage process with consultation of competent authorities and public consultation. The status of the investment's components are:

1. Research and development of new techniques aiming to improve environmental footprint, animal wellbeing, and food conversion ratio.
 - A research and development programme aiming at identifying and testing new production techniques that will allow reduction of greenhouse gases (GHG), ammoniac (NH₃), and phosphorus emissions. This set of activities do not require substantial modification of actual activities, beside the component on the slurry management plan.
 - The slurry management plan of the promoter farms will benefit of the promoter's vertical integration and includes the following investment:
 - RDI on technical aspects for pork slurry bio-methanisation. The biogas unit is at R&D. If an environmental permit is required, it will be communicated to EIB.
 - Two water ponds to serve as water buffer and/or reserve for consumption. The water is pumped from the river, located 2 km away, and the connection is using an existing pipeline on half the distance. No adverse effects on the environment are expected, as stated on the simplified evaluation of environmental impact.
 - A composting unit to treat 230 tons/day of waste water sludge. The integrated environment authorization (IEA) has been prepared in February 2020 and the

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, 13/06/2022

file was introduced in March 2021, the public consultation took place in September 2021 and the final authorisation will be provided to the EIB. The best available techniques (BAT), including for waste treatment² will apply.

The promoter's slurry management plan, including supported investments, is validated and verified by competent authorities for compliance with the nitrate directive³.

- The technical validation of identified and tested new production techniques implies the construction and refurbishment of pig rearing facilities. Several locations having a normal size operations are necessary to validate specific new technologies while respecting physiological needs, biosafety, and patents/copyrights of technology providers. The validated technologies will then be applied on the promoter's and suppliers farms. 5 out of the 6 farms participating to the RDI technical validation are presently having activities in pork rearing and have the authorisation to conduct the operations. The RDI programme implementation however requests changes to each location. The nature of the requested modifications make the following authorisations, licences, and amendments to authorisations required:

- For the farms requesting a new integrated environmental authorisation (IEA): San Jorge's farm obtained its integrated environmental permits on 05/02/2021. Santa Carmina's farm integrated environmental authorisation was initiated in 02/2019 and the public consultation took place on May 2021.
- The situation of the 3 farms requesting an amended IEA: While La Pedrosas was granted its amended IEA in June 2021, both Renta and Ronami are in the process with introduction requested being respectively in February and September 2021.
- The Isoweian facility need a classified activity licence that is currently under appraisal.

2. The Directive 2010/75/EU on industrial emissions apply to each of the 6 farms and it establishes the main principles for permitting and control of large industrial installations based on an integrated approach and the application of best available techniques (BAT)⁴. Investments aiming at reducing the carbon footprint of the promoter:

- A thermal pile to recover the heat produced by ammonia compressor types will allow to re-used the heat produced thanks to hot water storage instead of cooling towers. Positive environmental impact and energy consumption reduction are expected.
- A solar field, installed on a 22 ha of previously non-irrigated cereal cultivation field, will provide 11 MWp for the company self-consumption for an estimated 18.654 MWh/year. It is surrounded by two other photovoltaic fields of 50 ha and 35 ha. The simplified environmental impact assessment was granted in July 2019.

EIB Carbon Footprint Exercise

The GHG emissions were estimated and can be summarized for the project as follow:

- Absolute emissions: 24.6 kt CO₂-eq/y
- Base line emissions: 48.3 kt CO₂-eq/y

² Antoine Pinasseau, Benoit Zerger, Joze Roth, Michele Canova, Serge Roudier; Best Available Techniques (BAT) Reference Document for Waste treatment Industrial Emissions Directive 2010/75/EU (Integrated Pollution Prevention and Control); EUR 29362 EN; Publications Office of the European Union, Luxembourg, 2018; ISBN 978-92-79-94038-5, doi:10.2760/407967, JRC113018

³ EUR-Lex - 01991L0676-20081211 - EN - EUR-Lex (europa.eu)

⁴ Germán Giner Santonja, Konstantinos Georgitzikis, Bianca Maria Scalet, Paolo Montobbio, Serge Roudier, Luis Delgado Sancho; Best Available Techniques (BAT) Reference Document for the Intensive Rearing of Poultry or Pigs; EUR 28674 EN; doi:10.2760/020485



Luxembourg, 13/06/2022

- Relative emissions: -23.6 kt CO₂-eq/y

It is expected that the compost plant supported by the project will evolve in a treatment of biogas residual sludge when the biogas unit will be implemented, leading to additional relative emissions gains. As the biogas is in early RDI stage, the process and feedstock composition is unknown. Further considerations at project closure.

In addition, the farms related to the RDI will regularly report on their individual GHG emissions before offsetting (kg CO₂-eq/kg of Carcass Weight).

Paris alignment:

Counterpart alignment: The counterpart has been assessed for Paris alignment and is considered to be aligned:

Grupo Jorge claims carbon neutrality since 2020, thanks to its farm integrated environmental management aiming at reducing direct emissions, and to the offset of its emissions. The Group publishes its statement on its website and it will be third-party certified. The certificate will be provided to EIB when available.

The emission offset comes from the Group wind farms, photovoltaic plants, and afforestation programme. The 700 ha of forests are certified FSC, PEFC, and apply an integrated quality and environmental management system.

The Group assesses its climatic risks and is implementing measures to prevent it but these are not public as it is considered as a strategic advantage.

Project alignment: 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, associated guidance and relevant documents.

The RDI activities will allow to bring excretion and emission levels to the lowest indicated levels in the BREF.

Regarding the GHG emission of the pig life cycle, the best in class of industrial pig rearing in Western Europe under temperate climate is emitting 4.4 kg CO₂-eq/kg CW⁵ and the promoter's new farming system intends to bring it lower thanks to its RDI programme.

As regards to soymeal, the promoter is purchasing soymeal from two companies whose sourcing areas include Argentina and Brazil. These two companies have chain of custody and monitoring systems in places that allow them to trace back most of their feedstock supply. In November 2021 they could confirm that 95% and 84% of the originating areas were without deforestation since 2008. Both companies are working towards 100% traceability by end of 2025.

The promoter will regularly report on this aspect by providing the amount of soy used in the supported farms and for the all Group, the quantity of soy purchased by suppliers, and the implementation status of origin certification of each of its supplier.

Social Assessment, where applicable

In July 2019, the promoter ended a long standing national wide sectoral practice of false self-employees and employees assignment to subcontracted companies with the regularisation of 1 600 workers. It also launched a Corporate Social Responsibility (CSR) policy that publicly set social and environmental goals for the company. The company's ethical code is publicly

⁵ [Greenhouse gas emissions from pig and chicken supply chains](#), FAO, table 33, page 69



Luxembourg, 13/06/2022

available and an internal complain mechanism is in place and implemented by an Ethics and Compliance Committee.

In 2020, The promoter formally adhere to the United Nations Global Compact, its regional local Social Responsibility Plan, and improved the implementation of its new Corporate and Social Responsibility policy in giving the coordination of a dedicated team to a member of the Board of Directors.

Other Environmental and Social Aspects

The Spanish competent authorities audit farms for sector's BAT compliance. Previous promoter's farms audit showed minor non-compliance, requesting new procedures and small investments. Administrative non-compliance have been solved and the related investments have been planned within a short-term horizon. The environmental management system, part of the best available technique (BAT), was evaluated as conforming to requirements. The company will provide EIB with new BAT compliance official inspections' reports periodically.

Pig welfare is covered by several EU legislative acts, including the Directive 98/58/EC on the protection of animals kept for farming purpose and the sectoral specific Directive 2008/120/EC laying down minimum standards for the protection of pigs. Additional applicable legislation on animal welfare include: Council Regulation (EC) No 1/2005 of 22 December 2004 on the protection of animals during transport and related operations; Council Regulation (EC) No 1099/2009 of 24 September 2009 on the protection of animals at the time of killing.

Spanish competent authorities are conducting regular audits for animal welfare. The promoter is implementing, both in its own and contractually managed facilities, an integrated management system combining quality, environmental, food safety, traceability, biosecurity, and animal welfare components. The food safety management system - ISO 22 000 - and the animal welfare component are certified by AENOR under both the Welfare Quality protocol and the Interporc Animal Welfare Spain (AIWS) standard.

The environmental management system is audited as part of the sector's BAT.

Conclusions and Recommendations

Subject to the above-mentioned conditions, the project is acceptable for EIB financing in environmental and social terms.