



Luxembourg, 14 December 2022

Environmental and Social Data Sheet

Overview

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| Project Name: | <i>PANNONIA BIO PROTEINS AND R&D</i> |
| Project Number: | <i>2021-0286</i> |
| Country: | <i>Hungary</i> |
| Project Description: | <i>The project consists of three components, namely (i) the construction and operation of a protein isolate unit, (ii) the construction and operation of a soluble fibre extraction unit, and (iii) a research, development and innovation (RDI) programme targeting the development of new protein and fibre concentrates for food, feed as well as pharmaceutical applications.</i> |
| EIA required: | no |
| Project included in Carbon Footprint Exercise ¹ : | no |
| (details for projects included are provided in section: "EIB Carbon Footprint Exercise") | |

Environmental and Social Assessment

The promoter is a Hungarian private limited company that owns and operates a bioethanol and animal feed production facility in Dunaföldvár located in Tolna County.

Environmental Assessment

Corn protein isolate and soluble fibre extraction units

The project components are subject to the Hungarian environmental Laws that transpose the Environmental Impact Assessment (EIA) Directive (2014/52/EU) (amending 2011/92/EU) and Industrial Emission Directive (IED) 2010/75/EU.

The project will be implemented in an existing industrial complex area, within the promoter's bioethanol production site located in the municipality of Dunaföldvár, Hungary. The site holds an Integrated Environmental Permit, registration No. 59202/2014, TO-04G/80/03352-25/2019, as amended, issued by the Environmental Protection and Nature Conservation Inspectorate of Central Transdanubia. On a case-by-case basis, some of the project components will be submitted to the competent authority of the Tolna County for screening decision and amending the integrated environmental permit.

The production site incorporates best available techniques (BAT), as defined under the IED Directive 2010/75/EU.

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.



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The project is not located in any protected natural area, but in the vicinity of protected natural areas (i.e. Danube River in the Evian part of the Natura 2000 site of the Tolna - Dunaföldvár 0127/1). From the latest assessment as regards the potential risks conducted under the current environment permit, it has been concluded that the project was not expected to have any significant or appreciable direct and/or indirect effects produced in the surrounding Natura 2000 site that could cause damage to species and habitats.

Financing the research programme

The RDI activities are carried out within the existing production facility located in Dunaföldvár (Hungary). They do not imply the construction of new, nor the modification of the existing facilities and do therefore not fall under the provisions of the EU Directive 2014/52/EU amending Directive 2011/92/EU. The RDI efforts to be financed by EIB are dedicated to the development of solutions to valorise existing process residues and include the continuous improvement of the components concerned by the project. If successful, the project will therefore bring about substantial externalities in the areas of circular economy.

The project has been assessed for Paris alignment and is considered to be aligned both against low carbon, -as it aims at maximising resource efficiency of agriculture process residues and upgrade them into higher value food, feed and biomaterials- and resilience goals against the policies set out in the Climate Bank Roadmap.

The project absolute and relative emissions have been estimated based on the energy consumed by the units, once in production. It is estimated for the project components that absolute and relative emissions reach respectively 8.3Kt CO₂eq/year, and 5.3Kt CO₂eq/year, below the thresholds of EIB Carbon Footprint Methodologies.

Public Consultation and Stakeholder Engagement

The screening procedure for the new components to be implemented may require a public consultation in the context of amending the existing environmental permit. No complaint has been raised in relation to the latest amended IPPC permit (TO-04G/80/03352-25/2019) and no specific complaints have been received concerning the promoter industrial complex's activity in recent years.

Other Environmental and Social Aspects

The promoter has implemented a Quality Management System (QMS) at the Dunaföldvár production site, which is ISO 9001:2015 certified. Furthermore, the project site holds a number of certifications for operational excellence: ISO 14.001:2015 Environmental Management System, and is in process for ISO 22001 Food Safety. The company also holds ISCC, Red Cert and GMP+ Feed Safety Assurance certifications.

Conclusions and Recommendations

Condition for disbursement:

For the tranche concerned by the research programme:
None



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For the tranche concerned by the corn protein isolate unit and/or Arabinoxylan extraction unit:

The promoter shall:

- If the project component will be subject to an EIA procedure, provide to the Bank the relevant decision from the competent authority that satisfies EIA Directive before disbursement of the related tranche.

Undertakings

The promoter shall:

- For the corn protein isolate unit and the arabinoxylan (corn soluble fibre) unit, submit to the Bank, the updated permit that satisfied the requirements of the IE directive 2010/75/EU, before the start of operation.

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