



European Investment Bank (EIB)

Luxembourg, 22 December 2022

Environmental and Social Completion Sheet (ESCS)¹

Overview

Project Name: Carbery Group Investment Programme
 Project Number: 2018-0749
 Country: Ireland
 Project Description: Investment in the development of new dairy products and in an expanded dairy production facility at the promoter's site at Co.Cork, Ireland.

Summary of Environmental and Social Assessment at Completion

EIB notes the following Environmental and Social performance and key outcomes at Project Completion.

This operation concerned the financing of a new cheese production facility of Carbery Creameries Limited at its site in Cork. The project included the development of new buildings, the refurbishment of existing buildings and investment in new equipment. The existing plant produced 50 949 tonnes of cheese in 2018, of which 60 % was cheddar destined mainly to the UK market. The project facilitated the diversification of milk throughput into alternative cheese products, mostly pasta filata cheese, better known as mozzarella. The plant continued to produce several types of cheddar, cream, protein ingredients and ethanol, albeit in different amounts. After the installation of the new production line, Carbery can process up to 22.5 million litres of raw milk per week, an approximately 25 % growth from 2018.

Carbery received a EUR 5.75m grant from Enterprise Ireland for the proposed investment, as this was deemed to provide the following economic, environmental and social benefits: a) local employment creation and conservation; b) a higher sustainability of Irish dairy farmers' activity over time; c) a greater value added to raw milk by processing locally this raw material; iii) a positive effect on the country's balance of payments by increasing exports of the higher value dairy products. This investment contributed to ensure sustainable returns to Carbery's 1260 farmer shareholders, to provide employment security to over 500 employees, and to sustain demand for value chain inputs and services, with a high positive impact in the local rural economy.

Carbery confirmed that no environmental issues were encountered during project implementation. The company provided an annual report to the Environmental Protection Agency (EPA) confirming this. At appraisal, total annual emissions were foreseen to reach 67.2 kT CO₂e/year within five years of project implementation. At project completion, these are estimated at 53 kT CO₂e/year. Relative (net) increase in emissions, directly linked to the project, are calculated at less than 5 kT CO₂e/year, from an original forecast of 13.4 kT CO₂e/year.

Carbery reported further progress towards its sustainability ambition of becoming carbon neutral across all manufacturing sites by 2035. Greenhouse gas emissions reduced across all global sites by 4.16%, due to reduction in energy use and conversion of some facilities to procuring 100% renewable electricity. Water usage across the Group reduced by 17%, due to consistent focus by employees on reduction of water usage across the Group, plus the continuing success of investment in reverse osmosis projects. While Group energy use is down by 0.93% in 2021, GHG intensity is down by 3.22%, despite production increases.

¹ The template is for ILs and FLs



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Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion based on reports from the promoter, during Construction and at completion that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.