

Luxembourg, 25 April 2023

## Environmental and Social Data Sheet

### Overview

Project Name:	COMET UPCYCLING ARABINOXYLAN PLANT
Project Number:	2022-0536
Country:	Denmark, Poland
Project Description:	<i>The project concerns the financing of a first of a kind production plant for a novel nutraceutical, arabinoxylan based ingredient, which is produced from wheat straw and has prebiotic activity. The project also aims at integrating spray-drying technology to the production process to obtain the nutraceutical in dry-powder form for better access to the market.</i>
EIA required:	no
Invest EU sustainability proofing required:	Yes
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

### Environmental and Social Assessment

#### Environmental Assessment

The competent authority responsible for granting Environmental Permits and assessing requirements in accordance with IED and the Danish regulations for the production facility is the Danish Environmental Agency. The Agency is also responsible for auditing and monitoring environmental emissions' levels. The bioethanol production facility where COMET's plant is located, falls under Annex II (6a) of the Directive 2011/92/EU 'Chemical industry, Treatment of intermediate products and production of chemicals'. On 15 February 2022 the competent authority 'screened out' the project for EIA obligations.

The facility where bioethanol production facility where COMET's production plant is located held already an environmental permit under authorisation MST 2019-1445. The competent authority has published the amended authorisation in November 2022, which includes the purification section to produce arabinoxylan based nutraceutical products. Furthermore, the competent authority determined that the site has no impact on Natura 2000 areas.

The calculated emissions for the project are around 9 500 tonnes per annum in absolute terms and -1 700 tonnes per annum in relative terms. Therefore, the project is not included in the EIB Carbon Footprint Exercise (CFE), as the relative and absolute emissions fall below the minimum threshold (i.e. 20 000 tonnes per annum).

The project is Paris aligned. It addresses the Bioeconomy sector as mentioned in the EIB Climate Bank Roadmap, with high relevance to the upgrade of agricultural residues (wheat straw) into higher value food ingredients.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20 000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.



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The project can be considered as contributing to the circular economy as it fosters RDI activities and investments moving the production towards higher use and valorisation of by-products (agricultural residues) compared to current practice. Notably allowing to valorise wheat straw, having excess supply in the region, into an added-value nutraceutical ingredient.

### **Other Environmental and Social Aspects**

The project generates additional positive impacts for the local farmers and the rural economy in the region through reinforcing existing value chain options for wheat straw. Local farmers benefit from additional revenues from the project that valorise their excess straw. Furthermore, the project supports local employment at the Meliora Bio facility to which the new activity is integrated. In addition to safeguarding existing employment on the site, the project creates 16 new jobs (FTE).

### **Public Consultation and Stakeholder Engagement**

On 20 January 2022 the Kalundborg municipality submitted a consultation to the relevant authorities with respect to the project environmental permit. Some comments have been received, which have led to minor modifications in the project design (e.g. addition of water ditches). The application for environmental approval has been announced on the Danish Environmental Protection Agency's web portal ([www.mst.dk](http://www.mst.dk)) on 22 August 2022. No inquiries or complaints have been received regarding the application.

## **Conclusions and Recommendations**

Sustainability proofing conclusion: the project is carried out in compliance with applicable national and EU environmental and social legislation. Based on the environment, climate and social (ECS) information and based on the review of the likely significant ECS risks and impacts and the mitigation measures and management systems in place, the project is deemed to have low residual ECS risks and impacts. No further sustainability proofing is required.

### **Condition for disbursement:**

None

### **Undertakings**

Inform the Bank about any subsequent change/modification/extension of the project that could trigger an EIA-IED permitting process, following EIA directive 2014/52/EU, amending 2011/92/EU and IE directive 2010/75/EU and submit the relevant regulatory assessment reports and permits to the satisfaction of the Bank.

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