

Luxembourg, 17 August 2023

**Public**

## Environmental and Social Data Sheet<sup>1</sup>

### Overview

Project Name:	XNEXT (IEU FT)
Project Number:	2023-0159
Country:	Italy
Project Description:	XNext is a technology innovator start-up designing and developing X-ray machines based on multilevel energy photon counting detector for real time quality and safety controls mainly in the food sector. The EIB lending would be dedicated to the financing of the promoter's R&D expenses for the development of next generation X-ray machine inspection.
EIA required:	no
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise <sup>2</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

The project will support the promoter's continued RDI development and improvement of its proprietary technologies for X-ray inspection machines to increase industry applications coverage. The financed activities do not fall under the EU Directive 2014/52/EU amending the EIA Directive 2011/92/EU, and it is not included in any of its Annexes, therefore, are not subject to the Environmental Impact Assessment.

The promoter has also attained the ISO 14001:2015 and ISO 9001:2015 certifications and the company has been last audited in Apr-May 2022 by TÜV Italia certification body without any non-conformity highlighted.

The project aims at reducing/preventing environmental impacts associated to dispatched food re-calling from selling points or alongside the logistic chain, due to the presence of identified food contaminants. Food re-calling generates environmental and climate impacts due to the need to return the products back to the producers (generally via road) and, even

<sup>1</sup> The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary

<sup>2</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.



Luxembourg, 17 August 2023

worse, it engenders food waste because unable to run reliable screening to discard only affected production lots.

The company procures and uses, for the realisation of its products, ionising radiation sources. The management of these equipment is carried out in accordance with current national legislation and Directive 2013/59/EURATOM.

The waste produced at the company's headquarter is classified as non-hazardous, resulting from the design, manufacture, installation, and after-sales service of inspection machine systems for real-time, non-destructive quality controls. For the disposal of such waste, the company uses qualified companies, and a register of waste loading and unloading is maintained by the promoter.

There are no air emissions into the atmosphere from industrial activity, the water discharges produced by the company are treated as municipal waste waters. Due to the nature of the activities carried out, the physical location of the offices, and the Milano municipal acoustic zoning classification of the area (Class IV, "area of intense human activity"), it is not considered necessary to carry out specific assessments for noise generation.

Following the assessment in the "Documento Valutazione Rischi" dated 22/12/2022, drawn up in accordance with local legislation, the promoter's premises are characterised by low fire risk and the verification of the so-called fire load present was lower than the limits imposed by the local regulations. The analysis of the Piano di Governo del Territorio (PGT) Milano2030 of the municipality of Milano has highlighted a low hydrologic and seismic risks occurrence in the area where the promoter's activities are established.

The financed project will also support the transition to circular economy, minimising waste by improving accuracy of sorted recycled materials, making waste recycling significantly more effective. Data and information on the nature and composition of raw material enable a better categorisation, optimal destination of use, dilution, and processing of recycled materials.

### Climate Assessment

**Climate change mitigation:** The project mainly concerns RDI activities, a carbon footprint assessment will not be required. Consumption of energy on premise is exclusively performed through the sourcing of renewable and certified source of energies.

**Climate change adaptation:** The likelihood of climate hazards affecting the project's physical assets, operations and Health and Safety has been scored low. Therefore, the project has been screened out from climate adaptation.

**Paris Alignment of projects:** In line with the EU regulatory framework, the PATH framework applies to medium-sized or large corporates and significant intermediaries and does not apply directly to SMEs. The project is aligned with the EIB Group Climate Bank Roadmap under Industry, RDI sector.

### Social Assessment

The project does not involve significant labour risks, the promoter fosters diversity supporting the achievement of gender equality and promoting women presence in senior positions. The organisation is bounded to comply with the company's Code of Ethics.

### Other Environmental and Social Aspects

Promoter's premises are undergoing through renovation works in order to obtain the LEED v4 EBOM certification (Leadership in Energy and Environmental Design v4 for Existing Buildings: Operation & Maintenance).

## Conclusions and Recommendations



Luxembourg, 17 August 2023

The project concerns RDI development and improvement of X-ray inspection machines based on multilevel energy photon counting detector technology to increase coverage of industry applications.

The project is expected to suffer from non-significant effects in terms of climate hazards, and it is aligned to the Paris low-carbon criteria as published in the EIB Climate Bank Roadmap under Industry, RDI sector. Furthermore, the project is outside the scope of the EIA Directive with a non-significant potential impact to the environment, and it has been assessed to carry a low social risk inherently to protection of people with disabilities and occupational and public health, safety and security.

Sustainability proofing conclusion: the project complies 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 non-significant residual ECS risks and impacts. No further sustainability proofing is required.

Considering the above, the investment is acceptable for EIB financing in Environmental, Climate and Social terms.