

Luxembourg, 07.11.2023

Public

Environmental and Social Data Sheet¹

Overview

Project Name:	Cold Lake sustainable arctic char (IEU-GT)
Project Number:	2023-0217
Country:	Sweden
Project Description:	Financing of a recirculating aquaculture system and processing facility in Sweden for the sustainable production of certified premium arctic char with minimal environmental impact.
EIA required:	yes
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise:	no

Environmental and Social Assessment

The innovative production and processing plant with a capacity of 4 000 tonnes per year of Arctic Char will be located in the village of Kall, Åre municipality, near Lake Kallsjön, in Sweden. Production will be based on a recirculating aquaculture system and the Promoter undertakes to demonstrate its sustainability through certification for the Aquaculture Stewardship Council (ASC) standard, when in full operation.

The Company also undertakes to establish, operate, and certify an integrated quality, environmental and social management system in accordance with ISO 9 001, ISO 14 001 and ISO 45 001.

Environmental Assessment

The project falls under the scope of Annex II of EIA Directive 2011/92/EU, modified by Directive 2014/52/EU. Local competent authorities have assessed the application based on the environmental impact assessment (EIA) report dated of January 2017. The public consultation took place between May and June 2018, and the competent authority's decision² to grant the environmental permit is dated 14/09/2018.

The permit includes permission to pump and reject up to 9.5 million m³ of water into Lake Kallsjön. The rejected water will be filtered, treated among other for phosphorus removal and disinfected.

The plant will be designed and equipped in accordance with national regulations and international standards. It has been assessed as adequate for production needs and to meet permit conditions, including phosphorus discharge.

Sludge and bio-waste will be treated through anaerobic digestion and will result in the production of biogas and digestate that will be use as fertiliser by neighbouring farmers.

¹ 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

² Mark- och miljödomstolen; Östersund Tingsrätt; Deldom 2018-09-14 Mål nr M 185-17



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The Company has signed a contract with an external utility for the supply of green electricity (wind- and hydropower) to cover for the power and heat demand. The new plant will use innovative, efficient technologies, with low energy and resource consumptions.

Best available techniques will be used where applicable and sustainable aquaculture standards will be implemented.

The facilities and the equipment allow the implementation of best international and sustainable practices, including for animal welfare, minimising the need for antibiotic, fish disease, and reducing mortality. The Promoter undertakes to communicate the fish welfare procedure, including the contingency planning in case of incidents in form and content satisfactory to the Bank.

Recirculating aquaculture systems requires significantly less fresh water, thanks to their advanced filtration systems, compared to the current Swedish production system of net-pen cage farming in lake. In applying for the ASC certification, the promoter demonstrates that the farming and processing components of the project count as environmental sustainability actions.

Climate Assessment

Climate change mitigation

Greenhouse gas (GHG) emission have been estimated at 0.1 t CO₂-eq/year. The promoter undertakes to monitor and report on its GHG footprint once production commence, in support to its target to become carbon neutral within 5 years of operations.

The land-based recirculating aquaculture system ensures optimal fish welfare, reducing mortality, disease, and stress through controlled water quality (temperature, oxygen, CO₂, Sulfur, nitrite, parasite, etc.) and controlled lighting, which allows to reduce production cycle and therefore the lead time. Combined with a moving bed bioreactor that also release beneficial bacteria into the water, breeding to produce larger fish, and feed optimisation to improve the feed conversion ratio.

The aquaculture stewardship council (ASC) certification ensures the sustainability of the production and the feed, with no land use change and minimal fishmeal content.

Climate change adaptation:

There is robust evidence of vulnerability to climate change impacts by the Arctic charr populations of Europe. This situation also applies to fish farming, as the current farming method in Sweden is open net-pen cages in natural or artificial lakes. By implementing a land-based Arctic Char farm, including brood stock production, the promoter is consciously addressing the impact of climate change on Arctic Char production.

Paris Alignment

The project has been assessed for Paris Alignment and is considered to be in line with both low-carbon and resilience objectives of the Climate Bank Roadmap, in particular Table E, Bio-economy, activities along the value chain focusing on protein production from sustainable and innovative sources, with a low carbon footprint and a focus on animal welfare.

Social Assessment

The project complies with Swedish and EU labour and social legislation and with international conventions and charters. The Company undertakes to implement and be certified for ISO 45 001 (occupational health and safety standard

The project does not cause any economic or physical displacement.

No gender impact is expected.

Once the company develops its Corporate Social Responsibility policy, it will be communicated to the EIB.

Public Consultation and Stakeholder Engagement



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Consultations were carried out under the EIA process, concerns were addressed, mitigants are integrated in the development plan of the company and the facility.

Other Environmental and Social Aspects

The promoter will implement the ASC standards for sustainable aquaculture, food safety related standards, and to the compulsory HACCP referential.

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 available environment, climate and social (ECS) impact information and mitigation measures and management systems to be put in place, the project is deemed to have low residual ECS risks and impacts. No further sustainability proofing is required.

Considering the capacity of the promoter and the systems in place to manage environmental and social impacts and issues, the project is acceptable for the Bank if the following undertakings for the Promoter are respected:

- Inform the Bank about any change/modification/extension of the project that could trigger an EIA permitting process, following EIA directive 2014/52/EU, amending 2011/92/EU and IED directive 2010/75/EU (if applicable) and submit the relevant assessment reports and permits to the Bank.
- To Set-up, operate, and gain certification for: ASC and ISO standards 9 001, 14 001, and 45 001
- Implement and communicate to the Bank, before start of production, the environmental and GHG monitoring plan
- Elaborate, monitor, and communicate to the Bank its animal welfare procedures and its contingency plan
- Elaborate and communicate to the Bank its Corporate and Social Responsibility Policy.