

Luxembourg, 19 December 2024

Public

Environmental and Social Data Sheet¹

Overview

Project Name:	<i>UP CATALYST GREEN GRAPHITE (IEU GT2)</i>
Project Number:	2024-0127
Country:	<i>Estonia</i>
Project Description:	<i>The scope of the project comprises two demonstrator Generation 4 reactors for separately producing multi-walled carbon nanotube material (MWCNT) and synthetic graphite for EV batteries, as well as related corporate research and development. This enables the company to build the commercial scale of production and achieve economy of scale.</i>
EIA required:	no
Invest EU sustainability proofing required	no
Project included in Carbon Footprint Exercise ² :	no

Environmental and Social Assessment

Environmental Assessment

Neither the RDI activity nor the investment in mechanical manufacturing capacity does in itself fall under Annex I or Annex II of the EIA Directive 2011/92/EU amended by Directive 2014/52/EU. However, Industrial estate development falls under Annex II of said directive, thereby requiring a screening decision from a competent authority. In this project, this activity will take place on an existing industrial estate. Given its small size and foreseen production volumes, the change in use will not cause significant effects on the environment and does not require a screening decision. An operational permit by the municipality is needed when production exceeds 300 tonnes per year.

The Project also adheres to the Industrial Emissions Directive (IED) 2010/75/EU and the Seweso Directive 2012/18/EU.

The environmental impacts of the project are low. The manufacturing activities are limited to machinery and assembly and will not cover high risk or high impact activities. The RDI activities are limited to material tests and prototyping to be carried out in a laboratory setting with low

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 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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impact. The Project has no emissions to air or water and its waste management processes are well structured and managed.

Climate Assessment

The project will promote the development of technology for sustainable manufacturing of carbon nanotubes and synthetic graphite from biogenic CO₂, including a first demonstration of the technology at scale. These products are a substitute for natural graphite or synthetic materials made from fossil sources. Thus, the project will be an enabler of a climate transition.

No greenhouse gas emissions are considered for the RDI part of the work. Emissions for the early production line are based on the electricity consumption at full capacity and the emission factor for the high voltage grid in Estonia, amounting to 8 kt of CO₂ equivalent per year. However, by replacing alternative more polluting forms of production, about 17 kt of CO₂ equivalent will be saved. In addition, the early production will permanently sequester about 2 kt of CO₂ per year.

The project meets the criteria as defined in the 2020-2025 EIB Climate Bank Roadmap (Annex B: low carbon framework for industry) and physical climate risks are assessed as not material. As such the project is considered as aligned to the goals of the Paris Agreement, both in terms of low carbon and resilience goals.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty is a start-up company not engaged in any other activity than research and small-scale manufacturing. It is in scope but screened out of the PATH framework, because it is considered neither high emitting nor of high vulnerability.

Other Environmental and Social Aspects

The promoter is a start-up but proactively putting in place ISO 14001 environmental management system, ISO 50001 energy management systems and ISO 45001 occupational health and safety management systems. The capacity of the to manage impacts and risks and to implement mitigation measures is considered good.

Conclusions and Recommendations

The overall impacts of the project are low and limited to well confined. In addition, the promoter has well defined structures in place to mitigate and manage residual risk. Given the low-carbon production compared to current alternatives, the project has overall positive benefits.

Given the small impact of the project and the mitigating actions in place, residual risks are considered low and no detailed sustainability proofing is required.

The project is acceptable for EIB financing in environmental, climate and social terms.