

Environmental and Social Data Sheet

Overview

Project Name: TOMATO PROCESSING LINE
 Project Number: 2016-0653
 Country: Ukraine
 Project Description: The project consists of: (i) the construction and operation of a new plant for the production of tomato paste in the Mykolaiv region, and (ii) the expansion of their agricultural production through an increase of their land base with currently irrigated land, envisioning the modernization of existing assets, with a specific focus on producing the industry tomatoes required by the new processing line.

EIA required: yes

Project included in Carbon Footprint Exercise¹: no

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

Environmental and Social Assessment

Environmental Assessment

Within the EU the first component of the project would, by virtue of its technical characteristics, fall under the scope of Annex II of EIA Directive 2011/92/EU. The second component of the project would not require an EIA.

The above-mentioned processing plant had to undergo Environmental Impact Assessments (EIA) under the Ukrainian legislation and the EIA was completed in 2016. The plant is developed in compliance with national regulatory requirements and international standards for emissions abatement, following the best available technology. The new plant will employ modern, efficient technologies, with low energy and resource consumptions and low level of emissions to the environment. The generated waste is neither significant, nor of a dangerous nature and the corresponding and appropriate disposal mechanisms will be established according to mitigation measures included in the EIA. The main emissions expected for the plant are the emissions to the air, waste and waste water. The vegetable refuse is used as fertilizer and the non-organic waste is either collected for disposal or recycled by the local authorities.

Sewage water does not contain any chemical components. The Promoter strives to reduce the water consumption by recycling the water used in the production process. For the

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Luxembourg, 9 March 2017

treatment of used water, the promoter will build its own treatment plant, which will bring the discharge within the legal parameters.

At their primary agricultural production, the Promoter implements good agriculture practices including utilising exclusively high efficiency irrigation methods. During the irrigation process mineral fertilizers are applied through an irrigation system using optimum rates, which depend on the soil and growth conditions. The Promoter has a thorough pesticide and fertilizer management plan for the fields, allowing them to meet both the legal limits, EU standards and the strict quality requirements of their customers.

According to the Ukrainian environmental legislation an operation permit, with the corresponding emission limits for the proposed facilities, has to be issued before commissioning.

The project does not require a Strategic Environmental Assessment (SEA), according to the SEA Directive 2001/42/EC.

No nature conservation area is expected to be affected by the project.

Social Assessment, where applicable

The social and occupational health framework in Ukraine is developing and the government has ratified the ILO Core Labour Standards.

The project will generate positive social outcomes in the region, by creating new employment in the local communities, in rural regions of Ukraine.

The Ukrainian agriculture is dominated by men, nevertheless, the Promoter employs circa 30% women across the organization, including at management level.

The Promoter has put in place a Social Responsibility Policy, aimed at ensuring the occupational health and safety of its employees, excluding injuries and cases of occupational diseases, as well as social responsibility towards both its employees and the larger community. In addition, this policy includes preventing discrimination in hiring and training, a career development based on equal opportunity principles. The Promoter maintains the OHSAS 18001 standards within the group and it is expected that the new operations will also be certified with the same guarantees.

The promoter shows a proven track record of good safety and health management and did not report any major accidents in the last two years. The Promoter is actively involved in various social programs at community level, within their area of operations.

No physical resettlement of population is expected as the result of the project.

Public Consultation and Stakeholder Engagement

A public meeting was held at the local District Council, as part of the EIA process, following prior notice posted in the local media. During the meeting the attendance had the opportunity to express any questions or concerns related to the project.

Other Environmental and Social Aspects

The Promoter is certified according to the ISO 14001, Environmental management systems. It is expected that the new operations will be swiftly accredited with the same certification system.

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Conclusions and Recommendations

The following disbursement condition needs to be satisfied by the promoter:

- For the project's component screened in for an EIA by the competent authority, an EIA decision by the Competent Authority must be provided to the Bank prior to the disbursement, along with the confirmation that all mitigation measures will be implemented.

The Promoter undertakes to:

- submit to the Bank the operating permit(s) for the individual components of the project before the start of their operations.
- submit to the Bank yearly environmental monitoring results in both, end of pipe contaminants to air and water in mg/m^3 and t/year and waste streams for the first 3 years of operation. The data monitoring shall be carried out according to an internationally accepted standard methodology and not exceed reported BAT (Best available Techniques) emission levels.

Considering all the measures put in place by the Promoter, their track record, as well as their policies and procedures and the above mentioned conditions, the project is acceptable for EIB financing in environmental and social terms.