

Environmental and Social Data Sheet

Overview

Project Name:	Incarlopsa Agro Food Investments
Project Number:	2016-0981
Country:	Spain
Project Description:	The project concerns the investment plan of a Midcap company for the expansion and upgrade of existing facilities in an EU assisted area (Castilla-La Mancha, Spain).
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The project consists of modernization and capacity expansion of two of the Promoter's existing production sites in central Spain: (i) the slaughter and primary pig meat processing facilities at Tarancón (province of Cuenca), and; (ii) the ham curing and drying facilities at Corral de Almaguer (Toledo). Only the slaughterhouse investment is typified under the IE Directive 2010/75 EU and Annex II of EIA Directive 2011/92/EC and its amendments. The Competent authorities confirmed that a substantial modification of the integrated environmental permit based on a simplified environmental impact assessment was required. The procedure was completed in accordance with the Spanish/EU regulatory provisions and the corresponding modified integrated environmental permit was issued on 13 January 2017. The capacity increase at the ham curing and drying facilities did not require an integrated environmental assessment as the production capacity at the site stays below the legal thresholds.

The project will use best available process technology that will bring about substantial improvements in energy and resource efficiency. The specific energy and water consumptions will be substantially improved compared to the existing facilities. The main emissions to the environment are: (i) the exhaust gases from the onsite gas-boilers that supply the necessary steam and heat for the process; (ii) solid waste; and (iii) wastewaters from the slaughter process. Solid waste and by-product streams are temporarily stored at appropriate sealed container facilities and removed for further processing by specialised service providers, officially accredited for the handling of the respective waste categories. Wastewater from the process is pre-treated at site to the level of specifications required by the public Waste Water Treatment system of the city of Tarancón before release into the public sewage system. Due to the capacity of the wastewater treatment system, the authorities have limited the daily throughput and emissions at slaughterhouse facilities at 6,200 pigs/day and 550,000 m³ wastewater/year, which is below the design capacity of the plant. For reaching full capacity the promoter is required to build a new wastewater treatment plant. The promoter has Environmental Management System (EMS) certified ISO 14001, Quality Management System (ISO 9001) and Occupational Health and Safety Management System (OHSAS 18001) in place at all its facilities.

The promoter applies strict animal welfare, hygiene and safety protocols for the raising, transport and reception, stabulation and slaughter of animals that meet and/or go beyond the EU and Spanish official standards. Following regulatory requirements, operations are under continuous monitoring by an official veterinary team that is permanently present during slaughter activities. The modernization project will further improve the animal welfare

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.

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conditions by incorporating best available techniques and practice prior and during the sacrifice process. Operations and procedures undergo regular internal and official audits by the sanitary authorities. All meat produced by the promoter is fully traceable from the weaning farms to the supermarket.

The industrial sites do not affect any area of special conservation value (e.g. Natura 2000).

EIB Carbon Footprint Exercise

N/A

Social Assessment, where applicable

The project is employment neutral and, given the very competitive marketplace in which the promoter operates and that the sector is experiencing consolidation, it is considered that it will contribute to secure direct permanent and temporary employments at Incarlopsa in the medium to long term (1,951 jobs). The project will further create temporary employment of 1,249 FTE during implementation.

The modernization project will bring substantial occupational health and safety improvements for the work force through partial automatization of the dressing and carcass preparation processes. These are processes that are traditionally associated with the highest rates of accidents and injuries in workforce statistics of slaughterhouses.

Public Consultation and Stakeholder Engagement

Public consultation/information foreseen by the procedure for the substantial modification of the integral environmental permit was carried out for the slaughterhouse project in Tarancón. Following the Spanish regulatory provisions, a public announcement was published in the official journal of Castilla-La Mancha number 201 on October 14, 2015. Project documentation was available for consultation at the offices of the competent authority during one month. No allegations were submitted by the public during the legally foreseen consultation time.

Other Environmental and Social Aspects

The promoter has in place formal, written internal quality insurance procedures for (i) own pig rearing; (ii) pig production in third party supplier facilities (iii) live pig transport and (iii) handling of the animals at the slaughterhouse facilities. Specifications are compulsory for all actors in the promoter's upstream value chain (animal rearing, fodder plants, wining) as well as transport logistics service providers and its own slaughterhouse operations. Incarlopsa's operations are subject to regular internal and official audits that are carried out on place and follow production process, record keeping and reporting principles. Procedures are based on requirements by Directive 120/2008 EC and [for the slaughterhouse operations] Regulation 1099/2009 EC and European Food Safety Authority (EFSA) scientific opinion on monitoring procedures at slaughterhouses for pigs (2013). In addition, staff undergoes regular training on the different aspects of animal welfare and hygiene before and at the sacrifice lines in the slaughterhouse. The Promoter plans to certify the new slaughterhouse and upstream animal rearing operations through the Spanish Association for Standardization and Certification (AENOR) according to the Welfare Quality® standards promoted by IRTA (Institut de Recerca i Tecnologia Agroalimentaries) .

With regards to the food hygiene standards, the promoter is an IFS-Food (V6) certified company. All facilities of the promoter are also ISO 9001, ISO 14001 certified. The slaughter and further animal processing underlies strict and continuous sanitary and animal welfare controls and audits by a team of official public veterinary employed by the sanitary department of the Regional Government of Castilla - La Mancha, and is permanently following the production process according to the EU standards (EFSA) and Spanish sanitary and welfare protocols.

Conclusions and Recommendations

With the described management systems and environmental permit conditions in place, the project is considered acceptable for Bank financing from an environmental and social perspective subject to the following relevant conditions to be included in the finance contract:

Proposed Undertaking conditions to be included in the Finance contract:

- Inform the Bank (and submit relevant dossier) of any application for modification in the AAI permit (integral environmental permit) especially in relation to the restriction of maximum throughput of pigs (current 6,200 pig/day) due to the capacity of the Waste Water Treatment plant.
- Submit to the Bank annual official animal welfare and hygiene audit reports.
- In the event of any update of the animal welfare and hygiene protocols (among other, animal production, transport and slaughterhouse) submit reviewed, stamped versions to the Bank immediately after their approval.
- Immediately inform the Bank of any formal or informal complaint or allegation related to animal welfare in the supply, transport and the slaughterhouse.
- Certify the new slaughterhouse and upstream animal rearing operations through the Spanish Association for Standardization and Certification (AENOR) for application of Welfare Quality® standards promoted by IRTA (Institut de Recerca i Tecnologia Agroalimentàries) and provide evidence of such certification to the Bank within a reasonable time from the start of operations of the slaughterhouse.