

Luxembourg, 26 October 2018: MC Decision

**Public**

## Environmental and Social Data Sheet

### Overview

Project Name: FOOD PRODUCTION MODERNISATION  
 Project Number: 2017-0966  
 Country: Romania, Poland and Bulgaria  
 Project Description: The operation concerns investments in expansion, upgrading and modernisation of Maspex group's food and drinks production and storage facilities. The investments will be implemented in or in the vicinity of existing factories located in Lowicz, Lublin, Tychy, and Olsztynek (Poland), Valenii de Munte, Giurgiu and Vatra Dornei (Romania), and Velingrad (Bulgaria).

EIA required: This operation is an investment program. Some of the schemes may require an EIA

Project included in Carbon Footprint Exercise<sup>1</sup>: yes  
 (details for projects included are provided in section: "EIB Carbon Footprint Exercise")

### Environmental and Social Assessment

#### Environmental Assessment

The different sub-projects will be implemented inside of existing and already authorized factories, and falls under Annex II of the Environmental Impact Assessment (EIA) Directive 2014/52/EU (amending 2011/92/EU). Therefore, sub-projects will be subject to an EIA screening decision made on a case-by-case basis by the competent authority. The investments at the different plant sites are estimated not to have any significant negative impact on protected areas.

The project includes two greenfield wastewater treatment plants, one in Lowicz sub-project site in Poland and the other in Valenii de Munte site in Romania. This will allow both plants to process all its produced wastewater which is currently sent for depuration to the local municipal WWT plants, including the additional wastewater produced due to the plant's capacity increase investments, on site. The additional wastewater will allow to increase the anaerobic biogas production when compared to the baseline scenario while the location of the new facilities will enable heat recovery from the biogas and electricity generation that will be used in the production plants processes. This will allow to reduce natural gas consumption for process heat production needed by the plant. Additional power produced from the biogas will substitute current power imports from the national grid.

The most relevant residual environmental impacts will originate from initial construction works and later, during operation of production lines in factories. At the same time, there will be an increase in traffic. These will be mitigated by the measures included in the permits.

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

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Investments in the sub-project sites Vatra Dornei (Romania) and Velingrad (Bulgaria) are about the production increase of the bottled mineral water and therefore require the permission to abstract and bottle mineral water, from the responsible authorities, according to the exploitation and marketing of natural mineral water directive (2009/54/EC). This required authorisation will be subject to a disbursement condition.

The investments will be carried out in the 2018-2021 period. While a series of sub-projects have already received the building permits, for others the procedure from the competent authorities is still ongoing.

### **EIB Carbon Footprint Exercise**

The annual emissions to the project in a standard year of operation are estimated at 94,700 tonnes of CO<sub>2</sub>. These are predominantly due to the power demand for the automated warehouse and production lines. As part of the investments, two greenfield wastewater treatment plants increase the anaerobic biogas production and enable heat recovery from the biogas and electricity generation that will be used in the production plants processes. This practice will reduce natural gas consumption for process heat production needed by the plant. Additional power produced from the biogas will substitute current power imports from the national grid and relative to the baseline scenario; emission savings of 2400 tonnes CO<sub>2</sub> are expected.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

### **Public Consultation and Stakeholder Engagement**

The Polish, Romanian and Bulgarian legislations foresee that a public consultation should be carried out to inform stakeholders such as the public associations and local authorities, of any modification that would need issuing a new permit, as part of the EIA process

### **Other Environmental and Social Aspects**

The Promoter is accredited to ISO 9001, ISO 22000 and International Food Standards (IFS) in Poland. It is expected that the Promoter will swiftly certify its new facilities as well.

## **Conclusions and Recommendations**

The following conditions are to be included in the finance contract in order to mitigate the identified risks:

The promoter shall submit to the EIB before the start of works of a sub-investment considered under each loan tranche to be disbursed:

- Where applicable, screening decisions carried out and to be made public by the competent authorities in line with the provisions EIA Directive (EIA directive 2014/95/EU, amending 2011/92/EU for investments to be undertaken.

The promoter undertakes to submit to the EIB:

- All operating permits for the project components before the start of their operations
- Water use permits for the extraction of spring water and in particular mineral water from the relevant authorities under the natural mineral water directive (2009/54/EC).
- To implement and operate the relevant projects in conformity with applicable national and EU environmental legislations.

Taking into account the conditions of the project, the capacity of the promoter and the environmental and social management systems in place, the project is considered acceptable for Bank's financing in environmental and social terms.