

Luxembourg, 21 December 2023

**Public**

## Environmental and Social Data Sheet<sup>1</sup>

### Overview

Project Name:	<i>PROTIX (INVESTEU VD)</i>	
Project Number:	2022-0349	
Country:	Poland	
Project Description:	<i>The project comprises the construction and operation of a first-of-a-kind industrial plant in Poland for the breeding, rearing and processing of insects to produce animal feed material. The unit is planned to upcycle around 270ktonnes of low-grade stream from surrounding agro-industries into 60ktonnes of Live Larvae Equivalent of proteins, lipids and organic fertilisers. The project is funded under a venture debt type operation.</i>	
EIA required:	yes	
Invest EU sustainability proofing required	yes	
Project included in Carbon Footprint Exercise <sup>2</sup> :	yes	

### Environmental and Social Assessment

#### Environmental Assessment

The proposed project is to be located in a 10.8 ha plot forming part of Sierakowo Laszczyn complex III, Rawicz municipality (Poland). The operation will be the first industrial scale-up, based on a proprietary commercial pilot plant that was constructed and is in operation in the Netherlands. The planned activity is the production of protein rich materials processed for animal feed from the larvae of the black fly species (*Hermetia illucens*) that will be fed with biomass residues. The insect rearing and processing facility is based on an integrated solution that comprises a fully automated and climate-controlled breeding unit with advanced technology to optimize energy requirements.

The plant, by virtue of its technical characteristics, falls under the scope of Annex II of EIA Directive 2011/92/EU (amended Directive 2014/52/EU) leaving it to the national competent authority to determine according to Annex III of the said Directive whether an environmental impact assessment report is required.

<sup>1</sup> 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

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



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The promoter submitted in July 2023 [the information](#)<sup>i</sup> related to the likely effects of the project on the environment (as required by the Annex II A of the EIA Directive).

Based on the information sent, the local authorities decided that an environmental impact assessment is required.

The new plant will employ modern, efficient technologies, with low energy and resource consumptions and low level of emissions to the environment.

The project is located outside the boundaries of areas subject to protection under the Nature Conservation Act and outside Natura 2000 areas. The closest Natura 2000 area is the Special Area of Habitat Protection Ostoja nad Baryczą PLH020041, located approximately 6.4km to the south. The impact on biodiversity will be further assessed in the EIA report.

### **Climate Assessment**

The project converts low-value biological streams locally sourced from agro-industries into high-value nutrient products (Protein, lipids and fertilizers) and results in a significant reduction in the greenhouse gas (GHG) emissions compared to the products its substitutes.

In terms of risk related to climate change, the project's permit application references the "Guidebook for the preparation of investments taking into account climate change, their mitigation and adaptation to these changes and resilience to natural disasters" Ministry of the Environment Department of Sustainable Development, Warsaw, October 2015, which includes climate-based risks. The risks evaluated include flooding, heavy rain, snow, and other natural disasters. The risks and event frequency were assessed and mitigating measures are in place. The project's climate risks are assessed as low or manageable. The project is therefore considered to be 'Paris aligned', both against low carbon and resilience goals.

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

The public consultation will be carried out in line with the National and EU legislation that is estimated to take place during first quarter 2024.

### **EIB Paris Alignment for Counterparties (PATH) Framework**

The counterparty Protix is in scope and screened out of the PATH framework, because it is not considered high emitting nor high vulnerability sector.

### **EIB Carbon Footprint Exercise**

The absolute emissions of the project in a standard year of operation are estimated at 36 ktonnes of CO<sub>2</sub>e per year. The absolute emissions stem from the plant production unit and related electricity and natural gas consumption. This estimate comprises Scope 1 and 2 emissions that occur for handling, insect nursery, rearing and breeding, processing and product management. Scope 3 emissions would correspond to the upstream GHG emissions for the transport of the feedstock. The project will result in substantial avoided CO<sub>2</sub> emissions, if compared to the project's baseline scenario, which represents a scenario that considers the insect proteins and lipids produced by the project being substituted by the best feed alternatives i.e., soy protein concentrates and soy oils for the feed industry. Such technology of insect ingredient production does not yet exist at that scale or available in the region concerned. Based on most conservative value from the bank's carbon footprint exercise methodology and



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promoter's information, it is estimated that the overall project will result in emission savings of 43 ktonnes of CO<sub>2</sub>e per year.

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<sup>1</sup>.

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

The promoter will implement a Quality Management System (QMS) at the Polish production site. Furthermore, the project site will hold a number of certifications for operational excellence GMP+ Feed Safety Assurance certifications.

The Bank reviewed the environmental and social capacity of the promoter including its organisation, process and procedures and deemed them to be good.

## **Conclusions and Recommendations**

The project concerns the up-scale of a commercial pilot into a first-of-a-kind industrial plant to be financed under a venture debt type operation.

Based on the information available, and with appropriate contractual conditions (see below) and monitoring in place, the Project is expected to be acceptable for Bank financing in environmental and social terms.

### **Condition for disbursement:**

The first disbursement tranche will be conditional on:

- the submission to the Bank of the EIA report in line with the EIA directive and national legislation and approved by the competent authorities.
- the construction permit of the Project and the water permit for the discharge of wastewater.

### **Undertakings**

- Inform the Bank about any change/modification/extension of the project that could trigger an EIA-IED permitting process, following EIA directive 2011/92/EU, amended 2014/52/EU and IE directive 2010/75/EU and submit the relevant assessment reports to the Bank.
- The promoter shall ensure that the Environmental Social Health and Safety management team is adequately staffed with appropriately qualified and experienced staff to meet the E&S requirements of the project.

**Sustainability proofing:** Subject to the above-mentioned contractual conditions the project will be carried out in compliance with applicable national and EU environmental and social legislation. Sustainability proofing in line with InvestEU requirements will be required and conditional to EIB fund disbursement.

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<sup>1</sup> <https://bip.rawicz.pl/artykul/1100/10294/z-a-w-i-a-d-o-m-i-e-n-i-e-o-b-w-i-e-s-z-c-z-e-n-i-e-nr-1-12-2023-o-w-s-z-c-z-e-c-i-u-p-o-s-t-e-p-o-w-a-n-i-a>