

Luxembourg, 20th June 2024**Public**

Environmental and Social Data Sheet

Overview

Project Name:	ANDALUCIA ADVANCED BIOFUELS
Project Number:	2023-0610
Country:	Spain
Project Description:	The Project concerns the construction and operation of a 500 ktpa second generation biofuels production facility in Huelva, Andalusia (Spain). The facility will be based on Hydrogenated Vegetable Oil (HVO) technology, it will process a wide variety of fatty residues, such as used cooking oils and other industry residues, to produce biodiesel for road transport and SAF (Sustainable Aviation Fuel) for aviation.
EIA required:	yes
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise ¹ :	yes

Environmental and Social Assessment

Environmental Assessment

The Project concerns the construction and operation of an advanced biofuels production facility located in Andalucía (Spain). The facility will be based on Hydrogenated Vegetable Oil (HVO) technology, it will be able to process 600 000 tpa (tonnes per annum) of feedstock. The feedstock will consist in a wide variety of fatty residues, such as used cooking oils, animal fats and other industry residues (e.g., Palm Oil Mill Effluent), to produce biodiesel for road transport and SAF (Sustainable Aviation Fuel) for aviation. The Project will allow the Promoter to increase the production capacity for low carbon fuels, and it will also contribute to decarbonise these transport segments.

The advanced biofuel production facility is subject the EIA Directive 2011/92/EU amended by Directive 2014/52/EU and the Industrial Emission Directive (IED) 2010/75/EU as transposed in the Spanish environmental Laws.

The facility will be located in the municipality of Palos de la Frontera, in the province of Huelva, Spain. The competent authority responsible for the environmental permitting procedure is the 'Consejería de Sostenibilidad, Medio Ambiente y Economía Azul - Junta de Andalucía / Delegación Territorial en Huelva'.

¹ 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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The Promoter filed an application to obtain the environmental permit for the Project on 29/12/2022 and the competent authority has granted on 21/09/2023 the integrated environmental authorisation for the construction of the Advanced Biofuels production facility (file AAI/HU/090).

The Biofuel production facility will be located adjacent to the *Paraje Natural Lagunas de Palos y Las Madres*, a Natura 2000 area (ES6150004). Specific provisions are included in the Environmental permit to ensure the Project will have limited residual environmental, climate, and social impacts. It must also be noted that the Project is located within an industrial area, with an established large industrial complex which has been operating for a long time.

The Project is expected to have substantial positive indirect environmental impacts. The Project will produce substantial amounts of advanced biofuels for road transport and aviation, leading to substantial GHG emissions savings for transport. This is particularly relevant for aviation, where the decarbonisation options are limited, and the availability of SAF is critical to reduce carbon emissions in this transport segment.

The Project supports circular economy as it will enable the valorisation of a wide variety of fatty residues, such as POME (Palm Oil Mill Effluent) and UCO (Used Cooking Oils) into high quality low carbon biofuels.

Climate Assessment

The Project is Paris aligned, it is consistent with the EIB Climate Bank Roadmap provisions, as it focuses on sustainable biofuels production based on low-carbon, non-food, inputs supporting “Smarter, more sustainable transport”, which mentions the need for advanced biofuels to decarbonise transport sectors such as aviation.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty CEPSA is in scope and screened in the EIB PATH framework as it is active in a high-emitting sector and operates in a context of high vulnerability.

The counterparty is active in activities that are considered incompatible with the Paris Agreement in the PATH framework. The Project meets the conditions set out in paragraph 4.28 of version 1.1. of the PATH framework, introduced in support of the REPowerEU plan, and is therefore deemed to meet the PATH framework requirements.

The counterparty already meets the requirements of the EIB PATH framework with its existing alignment plan(s).

EIB Carbon Footprint Exercise

The absolute annual emissions of the Project in a standard year of operation are estimated at 253.9 kilo-tonnes CO₂e per year. This estimate comprises the Scope 1 emissions (direct emissions from production processes), Scope 2 emission (indirect emission from the feedstock/pre-treatment of the biomass, energy consumption) as well as Scope 3 emissions.

The Project will result in substantial avoidance of CO₂ emissions, if compared to the Project's baseline scenario, which represents a scenario that considers the production of the same amount of fossil-based fuels (Diesel fuel and Jet fuel) as well as alternative uses of the feedstock, such as biogas production (i.e. state of the art disposal route for Palm Oil mill effluent), and the need to replace this bioenergy carrier with fossil based natural gas.



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Based on the Bank's carbon footprint exercise methodology, it is estimated that the overall Project will result in emission saving of 1 503.0 kilo-tonnes of CO₂e 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 the Project cost.

Social Assessment

The Project is located in Spain, and therefore it will comply with all the applicable labour and social legislation of the country, as well as international conventions and charters, in line with EU standards.

Public Consultation and Stakeholder Engagement

As part of the Environmental permitting process, all relevant stakeholders have been consulted, including the Town Hall of Palos de la Frontera and the relevant administrative services (<https://www.juntadeandalucia.es/boja/2023/43/63>). The public consultation was opened on the 21/02/2023 for 1 month. During this period, the Project documentation was available for consultation on the Transparency Portal of the Junta de Andalucía, as well as at the offices of this Territorial Delegation in Huelva. The town hall has not provided any reports, while the other services provided reports in the scope of their competencies (e.g., monitoring of emissions, etc). No specific complaints concerning the Project have been flagged to the Bank.

Other Environmental and Social Aspects

The Promoter has an established integrated health, safety, environmental and quality (HSEQ) management system. This includes relevant set of certifications in relation to reduction of energy (ISO 50 001), environmental (14 001), quality (ISO 9 001) and health & safety (ISO 45 001) management.

Conclusions and Recommendations

Sustainability proofing conclusion: the Project is carried out in compliance with applicable EU and national environmental and social legislation. Based on the environment, climate and social (ECS) information, and based on the review of the potential ECS risks and impacts, as well as the mitigation measures and management systems in place, the Project is deemed to have low residual ECS risks and impacts. No further sustainability proofing is required.

Condition for disbursement:

None

Undertakings

The Promoter shall:

- Notify the Bank about any subsequent change/modification/extension of the Project that could trigger an EIA-IED permitting process, following EIA directive 2014/52/EU, amending 2011/92/EU and IE directive 2010/75/EU, and submit the relevant assessment reports to the satisfaction of the Bank.

Subject to the above-mentioned contractual conditions, the Project is acceptable for Bank financing in environmental and social terms.