

Environmental and Social Data Sheet

Overview

Project Name:	ANGOLA AGRI BUSINESS EXPANSION
Project Number:	20190400
Country:	Angola
Project Description:	The project comprises the construction and operation of two grain mills, one pasta factory, and the modernization of one dairy products processing factory in Angola.
EIA required:	yes
Project included in Carbon Footprint Exercise ¹ :	yes

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

Environmental and Social Assessment

Environmental Assessment

If located in EU, each of the project components would fall under Annex II of EIA Directive 2014/52/EU (amending 2011/92/EU) and therefore, it would be subject to a case-by-case determination on the need for an assessment that should be carried out by the relevant competent authority. According to the national legislation, all components of this project will undergo full EIA processes including public consultations.

The location of one wheat mill and pasta factory is inside an industrial park, at distance from any inhabited areas. The dairy processing sub-project takes place inside an existing plant, operating already in an industrial area, inside an urban settlement. The second wheat mill will be built adjacent to an existing silo, inside an industrial area, and at distance from inhabited areas. No location is close to the sea.

The design of the wheat mills was developed in compliance with national regulatory requirements and considering the main aspects of sectoral EU (BAT) energy efficiency and emissions abatement measures. The equipment to be used in the mills will be delivered by international, well-established suppliers, with extensive experience in the sector. The main emissions from the mill operations are expected to be emissions to the air (dust and GHG). Dust abatement units (that include filters, central vacuum, cyclones, etc.) will reduce significantly dust emissions.

The pasta factory will employ modern, highly efficient technologies, aligned with the BAT for the sector. The main emissions from the plant will be to air (dust and GHG), and specific measures will be adopted to reduce them significantly.

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 modernization of the dairy factory will include adoption of modern and highly efficient equipment for dairy processing, as well as the construction of a new waste water treatment plant. The main emissions from the dairy operations are expected to be effluents to the water, to be treated at the plant and discharged in the municipal system.

EIB Carbon Footprint Exercise

Absolute emissions: The estimated CO₂ of the investment program including utilities and auxiliaries in standard year of operation are estimated to amount 22.9 kt CO₂ equivalent. This includes all operations under the project. The Absolute emissions are comprised of electricity consumption and propane used for the generation of heat.

Baseline: It can be assumed, as a baseline, that without the project, there is no alternative regional plants to meet the demand for the produce manufactured by the Promoter. Therefore, for the without the project scenario, the Bank assumed that the producer would have been shipped to Angola the goods already processed elsewhere (i.e. pasta, flour and liquid milk). The bank therefore included the CO₂ baseline emissions based on facilities with similar emission profile as the new ones.

Alternative Absolute and Baseline emissions were also calculated, to take into consideration the transportation of goods to Angola. Therefore the transport by marine shipping for pasta, wheat and milk powder was included in the Without project scenario, and for wheat (including the wheat needed to produce pasta), and milk powder for the With project scenario.

Relative emissions: Based on the Bank's carbon footprint methodology, the relative emissions (difference between absolute emissions and baseline) can therefore be assumed to be -9.2 kt CO₂ equivalent per year of reduced emissions.

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.

Social Assessment,

The project will take place either in industrial parks or within existing industrial areas, and will not trigger any physical or economic displacement resettlement of population.

The Promoter is signatory to the United Nations Global Compact Goals since 2015, and it pledged to include Sustainable Development Goals in its overall strategy. Every year the Promoter publishes a Corporate Social Responsibility (CSR) Impact Report. The CSR report includes specific targets for each of the goals pursued.

The Promoter has put in place a non-discriminatory policy on gender, age, marital status, sexual orientation, ethnic origin, nationality, religion or disability.

As part of its governance process, the Promoter created a grievance mechanism, where its employees can report anonymously and safely any breaches, orally or in writing. Every year the system records a number of reports that are individually analysed and addressed by an Investigation Committee comprised of four members from the management.

Promoter's employees are free to join the union of their preference, to represent them.

The Promoter offers private health insurance and disability insurance to all its employees in Angola. The lowest minimum salary in the Group is 9.6% higher than the minimum salary in Angola. The employees of the Group have various opportunities for learning and

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development, through courses offered either by the company itself or by external providers. In 2019, 629 employees took part in training or continuing education programs.

As part of its commitment to a safe work environment, the Promoter has put in place a system for the operational health and safety, including emergency and preparedness measures, with clear responsibilities and tasks. In order to ensure a safer transportation to and from work for their employees, the promoter tailored the work schedule according to local conditions.

The Promoter includes its extended supply chain in the CSR Reporting and monitoring, by systematically assessing and mitigating the related social, environmental, health & safety, and ethical risks.

The Promoter is engaged in supporting the local communities in various ways, such as support for infrastructure and education, food and clothes donations, or campaigns for e.g. breast cancer or prostate cancer awareness, or mental health issues.

Public Consultation and Stakeholder Engagement

The project will undergo an EIA for all of its components. Public consultations are not mandatory in the national legislation for e.g. developments taking place in industrial parks, such in the case of this project; the national authorities are to decide on a case-by-case basis if public consultations are required. Nevertheless, the Promoter agreed to include public consultations as part of the EIA process for all of the components of the project; the consultations will include public hearings and will make information available in the local media.

Other Environmental aspects

The first EIA, for the wheat mill and pasta factory, was already completed by the Promoter satisfactory to the Bank.

Conclusions and Recommendations

Disbursement conditions

Prior to each disbursement, the promoter shall:

- send to the Bank the respective EIA decision, including satisfactory public consultations

Undertakings

The promoter undertakes:

- to submit to the Bank the operating permits for the project components before the start of their operations;
- to monitor the performance of the installations in terms of emissions into air and water;