



### **Award-Winning Muntons Plans £5.4m Bioenergy Boost**

Award-winning malted ingredients company Muntons is to invest £5.4m in an anaerobic digestion plant to treat liquid waste from its ingredients business at its Stowmarket headquarters.

The Suffolk-based environmental trailblazer will generate up to 25% of its base load electricity by treating waste streams from malt extract production at the new plant, which will be operational by summer 2015.

A funding package to support Muntons investment has been structured with RBS Invoice Finance and Lloyds Banking Group with a £42.1million Asset Based Lending (ABL) package incorporating an additional £2.3m to support the anaerobic digestion project.

Ingredients manufacturer Muntons, is already the first maltings company to achieve ISO 50001 status for its state of the art energy management systems, only one of a handful to have the certification in the food industry as a whole.

Muntons' manufacturing and sustainability director, Dr Nigel Davies explained that the high solids liquid waste from Muntons' malted ingredients plant will be anaerobically digested at the new plant - a process by which micro-organisms break down biodegradable material in the absence of oxygen.

The process will produce a fertiliser substitute for spreading on local farms, cutting out the 3,000 tanker movements a year currently required to take sludge from the site - saving around 340 tonnes in CO<sub>2</sub> emissions from the lorries.

Dr Davies said: “All of this sludge has come only from processing locally grown barley and our new AD plant will convert this into highly nutrient-rich fertiliser used to cultivate more locally grown barley – a really perfect example of local recycling.”

The new plant will generate biogas that will power a Combined Heat and Power unit providing 500KWh of electricity, around 25% of Muntons’ base load requirement. Finance Director, Steve Bluff said “It has been hard work to get the funding off the ground with the assets of the project making it difficult using normal views of security. However with the significant support of B2B Consulting and the specialist and straight forward approach of Investec, we began to find a way to route forward. This, together with the huge support of our main lenders RBS / Lloyds, who have continued to want to invest in Green initiatives and been very supportive throughout, has enabled us to put all the necessary funding in place.”

“Key to finding a solution was running large scale trials on potential equipment to prove it had the capability to deliver the results required to meet the payback criteria, the lenders gaining a thorough understanding of our business model and the enthusiasm for the project within Muntons.”

Muntons has enlisted in the Government's Feed-In Tariffs scheme for the project, which means that it can be paid for the electricity it generates, even though it uses it itself, with the government favouring local generation and local use over export to the grid to alleviate increasing demand for grid electricity.

Dr Davies commented: “For us, investing in environmental projects has helped offset the rise in energy costs, one of the key operational costs of our business. Green is not boring, we want to open people’s eyes and get a message out to our supply chain that cutting your carbon footprint is not as complicated as it seems.”

Muntons environmental manager Mick Cochrane added: “This state of the art plant was selected after extensive proving trials on pilot plants over many months. It is being constructed to generate a significant amount of our electricity use on site which is vital when we hear of potential electric

shortages in the winter months. It is designed also to de-risk our business by providing high-spec wastewater treatment.”

RBS Invoice Finance (RBSIF) leads an Asset Based Lending syndicate of funders including Lloyds Banking Group to provide Muntons with the ABL facility which will support the new anaerobic digestion plant and provide headroom for future growth. Dean Rogers, Corporate ABL Relationship Manager at RBSIF said: “This is an exciting period of development from Muntons and demonstrates their continued commitment and implementation of ‘Green’ initiatives as they enjoy significant expansion. We are delighted to continue our support and provide a flexible funding package that complements the client’s current financial arrangements.”

Muntons has won numerous accolades for its environmental credentials and was ranked by The Sunday Times as one of the UK’s most sustainable companies and won the Sustainable manufacture of the year award in 2011 following up with a finalist position in 2013.

Anaerobic digestion has been used for many years in the UK by the water industry. Some 66% of the UK's sewage sludge is currently treated in AD plants. Beyond the water industry AD is in its infancy, but growing rapidly. There are currently around 100 non-water industry anaerobic digesters in the UK producing bioenergy.

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