

Public

Environmental and Social Data Sheet

Overview

Project Name:	Vetri Speciali beverage packaging
Project Number:	2019-0776
Country:	Italy
Project Description:	The project concerns investments to be undertaken for the period 2019-2021 for the modernisation of the San Vito al Tagliamento plant, entailing the deployment of state-of the-art and advanced manufacturing machinery and equipment.
EIA required:	no
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

The project concerns part of the promoter's modernisation investments in its production facility in San Vito al Tagliamento that produces specialty hollow glass containers.

More specifically it includes:

- the complete rebuild of one furnace and related production lines and equipment resulting in:
 - slight increase in production capacity - ca. 6% increase;
 - more flexible and efficient production lines using in-house developed technological solutions, digital connectivity and robotic automation;
 - less energy intensive glass production - 18% more energy efficient, and;
 - more environmentally friendly glass production – significant reduction of NOx and SOx, and reduction of fresh water use.
- the refurbishment of the second furnace and updating of related equipment resulting in:
 - slight increase in production capacity – ca 3% increase;
 - improved digital connectivity and automated inspection capabilities, and;
 - more environmentally friendly glass production – significant reduction of NOx and SOx.

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.

Luxembourg, 24.04.2020

The new facility will be equipped with state-of-the-art technology in compliance with relevant EU regulations, i.e. compliance with the Best Available Techniques (BAT) emission limit values as laid down in the EU Directive 2010/75/EU on Industrial Emissions (integrated pollution prevention and control - IPPC).

Glass manufacturing plants fall under Annex II of the EIA Directive 2014/52/EU as amended. As such, changes are subject to a respective screening by the Competent Authorities to determine the need for a full environmental impact assessment (EIA). Both the rebuilt and refurbishment of the furnaces were screened-out as it concerns only a slight increase of the capacity of an already authorised activity, with substantially better environmental performance.

The company will require a new environmental permit to reflect the capacity increase and the new emission limit values that will be applied. Submission of this new environmental permit to the EIB will be put as an undertaking in the contract.

The investments are in line with the decarbonisation pathway for the glass manufacturing sector as it results in a substantially improved energy efficiency: by implementing state-of-the-art technology the overall carbon intensity of the facility's glass production will be lower than the EU-ETS benchmark for the sector.

EIB Carbon Footprint Exercise

Estimated annual emissions of the glass facility in San Vito al Tagliamento in a standard year of operation using the EIB GHG emission calculation methodology will amount to 43 ktonnes CO₂e per year.

With the rebuilt and refurbishment activities, this glass production facility will close the gap with the EU ETS benchmark that is derived from the top 10% performers in EU coloured bottle glass producers. The project will result in substantial energy savings and related CO₂ emissions, if compared to the current situation - energy efficiency has been considered an essential parameter when designing the project.

However, for the relative emission calculation, the baseline scenario is considered the same as the project as these investments are required to ensure a continued high quality production, and it is difficult to define an alternative baseline scenario given the type and quality of glass produced by the company. As such, relative emissions are zero.

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'.

Other Environmental and Social Aspects

The project will be implemented by a promoter with a longstanding track record in specialty glass production. The promoter has demonstrated its capabilities to implement this type of project within budget and time through the previous project done in 2016. The company has a valid ISO 14001:2015 Environmental management systems certificate.

Conclusions and Recommendations

The proposed investments are in full compliance with Best Available Techniques. Both the construction and operation of the project will not result in any adverse environmental effects or cause any negative impact on protected areas, Natura 2000 areas, cultural objects or



Luxembourg, 24.04.2020

human life and health. On the contrary, the project will result in an improved environmental footprint of the glass produced.

Considering the above, the project is acceptable for Bank financing.