

Environmental and Social Data Sheet

Overview

Project Name:	AGC COVID 19 RDI 2021-2024
Project Number:	2020-0601
Country:	Belgium, Germany, France
Project Description:	Financing AGC Glass Europe RDI projects in relation to the development of innovative glass products and more sustainable production processes.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

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

Environmental and Social Assessment

Environmental Assessment

The R&D activities will be managed and carried out in already existing and authorised R&D facilities, located in Belgium, Germany and France. As the project will not result in a change to the authorised scope of the RDI facilities, the project is not subject to the Environmental Impact Assessment Directive – Directive 2014/52/EU amending Directive 2011/92/EU.

AGC's environmental policy has a double focus:

1. Aim to be at the forefront in developing new products with better environmental performance during their lifetime. The project enables the promoter to further develop the high-tech glass products of tomorrow.

Fifty percent of the R&D budget is devoted to sustainable products, solutions and manufacturing in the field of improving energy efficiency and efficiency of solar power production, use of less toxic materials and energy efficient and less carbon intensive glass manufacturing. Based on this, the company has developed a holistic approach to fully assess the environmental footprint, which includes Life Cycle Analysis, measurement of the carbon footprint and Cradle-to-Cradle certification of products. The other fifty percent goes to solutions that address other societal trends such as smart mobility (autonomous driving) and smart cities, and include solution to tackle safety and connectivity issues.

2. Aim to manufacture, package and transport these products using the most environmentally friendly options/technologies from the environmental point of view, in order to minimise the environmental impact. This means that AGC is constantly improving the flat glass production activities by creating solutions for reducing atmospheric emissions and specific energy consumption. With the glass sector covered under the EU ETS Directive, the company is challenged to innovate their

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, 2.12.2020

manufacturing processes aiming to meet the expected GHG reduction targets. Currently, the EU ETS (2013-2020) has the ambitious target of a reduction of 20% in greenhouse gas emissions which will be met by AGC Glass Europe. The next EU ETS Phase (2021-2030) will have an objective of 43% greenhouse gas reduction from 2005 to 2030, which the company is prepared to meet – see approach below.

Other Environmental and Social Aspects

The AGC Glass Europe developed a holistic approach to fully assess their environmental footprint by using complementary approaches:

- The Environmental Management System (EMS), based on the ISO 14000 family of standards, designed to deal with environmental issues on a global scale.
- The Cradle to Cradle (C2C) approach is an innovation approach used to design products and services which are beneficial in economic, health and environmental terms. The Cradle to Cradle philosophy is triggered at the beginning of the development of the products. The products that undergo the Cradle to Cradle Certified programme have to meet strict criteria (non-toxicity of materials, reuse of materials, use of renewable energy, water stewardship, and social responsibility). AGC offers the broadest portfolio of certified C2C products.
- Life Cycle Analysis of the product supply chain to quantitatively assess the environmental impact in the production stage and the savings generated by the high performance glazing products in the use stage of their life cycle, and thus check potential CO₂ reduction and other benefits. It also offers the information required for the sustainability certification of buildings.
- Environmental Product Declarations (EPD), which is an independently verified and registered document that communicates transparent and comparable information about the life-cycle environmental impact of products. Most of AGC's products are covered by EDPs, verified by a third party.
- The calculation of the carbon footprint in order to define the performance related to the greenhouse gas emissions caused by the company's production activities and the savings made during the use of the glass products. The latest calculations show that for each tonne of CO₂ emitted during production and transport, nearly 11 tonnes are avoided during the use of products produced.

Vast amounts of energy are needed to produce glass. Therefore, with a keen awareness of the impact that its glass operations have on the environment, the promoter is working to reduce energy consumption from its production activities, in addition to proactively developing and supplying energy-saving and energy-creating products. To spur on these efforts, the promoter created its own CO₂ emissions reduction programme with a focus to reduce the CO₂ intensity of its glass production and includes short and long term action plans starting from the implementation of best practices across all production lines, increased implementation of electro-boosting to ultimately move towards zero CO₂ furnaces.

Glass is endlessly recyclable like no other product. The objective is to use as much glass cullet as possible in the production processes. The use of cullet avoids CO₂ emissions, since cullet requires less energy to melt, and replaces carbonated raw materials. AGC Glass Europe recycles around 1,000,000 tonnes of cullet per year, saving about 1,150,000 tonnes of raw material and 300,000 tonnes of CO₂ emissions.

Luxembourg, 2.12.2020

Conclusions and Recommendations

The R&D activities will be managed and carried out in already existing R&D facilities with no change to the authorised scope. As such, the project is not subject to the Environmental Impact Assessment Directive.

As it concerns RDI activities, the project per se does not have any significant impact on the environment. However, the results from the R&D activities will significantly contribute to the development of new more environmentally friendly and less carbon intense production processes, and glass products with better environmental performance over their full lifetime that will significantly contribute to the further improvement of the energy performance of buildings and efficiency of solar power production.

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