

## Environmental and Social Data Sheet

### Overview

Project Name: LASSELSBERGER CERAMICS MODERNIZATION & EE  
Project Number: 2020-0741  
Country: Czech Republic, Hungary  
Project Description: The proposed investments concern the deployment of state-of-the-art machinery and equipment to support the modernization of the company's ceramic production. The investments will be carried out at existing locations of the promoter in Hungary and Czech Republic over the period 2021-2024.

EIA required: likely

Project included in Carbon Footprint Exercise<sup>1</sup>: yes

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

### Environmental and Social Assessment

#### Environmental Assessment

Manufacture of ceramic products by burning, in particular roofing tiles, bricks, refractory bricks, tiles, stoneware or porcelain are listed in the Annex II of the EIA Directive 2014/52/EU amending the Directive 2011/92/EU. As such, the need for an EIA is up to the local competent authorities.

The project concerns the modernization of existing installed capacity with energy-efficient, state-of-the art, transitional technologies that will enable the facilities concerned to shift to low carbon or renewable sources when these become economically available.

The project entails positive environmental effects linked to the development of product and processes with reduced environmental and carbon footprint, thanks to a reduction of material consumption and the reduction in emissions per square metre of tiles produced.

#### EIB Carbon Footprint Exercise

The annual emissions associated to the financed investments, deriving from the combined use of natural gas and electricity, have been estimated at the highest production output and amount to 106.3 ktCO<sub>2e</sub>/year. The emission savings (relative emissions) have been estimated in 10.8 ktCO<sub>2e</sub>/year.

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<sup>1</sup> 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 CO<sub>2e</sub>/year absolute (gross) or 20,000 tonnes CO<sub>2e</sub>/year relative (net) – both increases and savings.

Luxembourg, 12/07/2021

The absolute project's emissions comprise the emissions generated by the equipment and machinery included in the project and that can be singled-out from the plants concerned by the investment.

The baseline for the calculation of the relative emissions has been taken assuming that the project's highest output would need to be produced either by (i) the inefficient machinery that is going to be replaced (investment in Czech Republic) or, in the case of replacement and increase of installed capacity (investment in Hungary), by (ii) a combination of the output that would be produced by the replaced, inefficient machinery and the remaining part by existing promoter's production capacity in the region.

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**

E&S aspects are embedded into the promoter's management systems; the Czech locations are certified according the ISO 14001 environmental management systems. The promoter has confirmed that the Hungarian entity complies with all the applicable environmental laws in the country.

To date, the promoter does not disclose on sustainability aspects.

## **Conclusions and Recommendations**

The two investments components are likely to follow different permitting processes.

The part of the project carried out in Czech Republic (Chlumčany, Horní Bříza and Rakovník) concerns investments in machinery and equipment that are replacing outdated and inefficient ones over the period 2021-24 within existing facilities already authorised for the same scope.

- Conditions: the promoter has informed the Bank that this part of the project does not require an EIA. The submission to the Bank of the screening-out decision (decision of the competent authority confirming that an EIA Report is not required) is a disbursement condition to the EIB funding related to this part of the project.

The part of the project carried out in Hungary (Romhány) concerns the replacement of outdated and inefficient machinery and a non-substantial expansion of installed capacity in the country. The factory expansion is foreseen for 2022 and the permitting process has not started yet.

- Conditions: the submission to the Bank of (i) the screening out decision (decision of the competent authority confirming that an EIA Report is not required) or, in case an EIA is required, (ii) the full EIA Report for the publication on the Bank's website, as well as the building permits are disbursement conditions to the EIB funding related to this part of the project.

In the light of the above, the project is acceptable for the EIB financing in E&S terms.