

Public

Environmental and Social Data Sheet

Overview

Project Name: PANARIA SUSTAINABLE CERAMICS
Project Number: 2021-0259
Country: Italy, Portugal
Project Description: The project concerns the promoter's investments for the modernization of existing manufacturing capacity as well as Research, Development and Innovation (RDI) activities on production processes and products. The investments will be carried out at the company's facilities located in Italy and Portugal over the period 2021-2024.

EIA required: likely

Project included in Carbon Footprint Exercise¹: 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 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 without increase of installed manufacturing 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 porcelain stoneware and manufacturing 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.

The project is in line with the Climate Bank Roadmap (CBR) and with the Paris Agreement framework for Energy Intensive Industries (EII), as it concerns a "non-substantial expansions of EII production predominantly based on traditional high-carbon processes without accompanying abatement technology such as CCS or recourse to renewable energy sources"

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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as well as “implementation of technology that will enable an easy shift to the use of hydrogen or biomass/biogas/bioliquid as a fuel or feedstock when available”.

EIB Carbon Footprint Exercise

The annual emissions associated with the financed investments is estimated in 45 ktCO₂e/year. The emission savings (relative emissions) have been estimated in 10 ktCO₂e/year.

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 takes into account the emissions produced in a recent representative year by the outdated machinery that are going to be replaced by the financed investments, which does not entail any increase of manufacturing capacity.

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 locations concerned by the project are certified according to the ISO 14001 environmental management system and adopt the EU Eco-Management and Audit Scheme (EMAS).

Conclusions and Recommendations

The RDI part of the project has been assessed as not requiring a screening decision.

The capex part of the project concerns investments in machinery and equipment that are replacing outdated and inefficient ones within existing facilities already authorised for the same scope. Some of these investments are subject to a screening according to the EIA Directive 2014/52/EU amending the Directive 2011/92/EU:

- The components foreseen for 2021 and requiring a screening decision have been screened-out and the screening decision submitted to the Bank;
- The investment components requiring a screening decision and foreseen for 2022 are currently under screening and the decision of the competent authority is expected for the beginning of 2022;
- The project includes also investments in technology and in an associated building foreseen for 2023 and 2024 likely to require a screening decision and for which the screening process has not started yet.

For the investments foreseen for the period 2022-24 the promoter undertakes to submit to the Bank: (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 as soon as available but in any case before the utilisation of the Bank’s funds for the investments concerned.



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