

Environmental and Social Data Sheet

Overview

Project Name:	VIDRALA ADVANCED GLASS MANUFACTURING
Project Number:	2016-0282
Country:	Italy
Project Description:	<i>The project comprises investment in innovative manufacturing technologies to completely rebuild one of the promoter's production sites and transform it into a smart glass factory.</i>
EIA required:	YES/NO – screening decision not received yet
Project included in Carbon Footprint Exercise ¹ :	NO

Environmental and Social Assessment

Environmental & Social Assessment

Glass manufacturing is an energy-intensive process as melting furnaces are in operation 24 hours a day, 365 days a year. As a consequence of the industrial process, one of the primary management objectives is to reduce contaminating emissions. In order to do this, the project consists of specific investments to upgrade Vidrala's Italian container glass plant and adapt it to the most advanced and efficient production systems resulting in a reduced environmental impact.

The project is expected to have the following environmental and social consequences:

- Increase in capacity, from 450 tonnes per day of molten glass to 520 tonnes per day;
- reduction of the specific carbon footprint of the glass production due to improved energy efficiency and related improvements of the specific CO₂ emissions (CO₂ emissions per tonne molten glass);
- improved production efficiency (melt-to-pack ratio improvement) reducing related emission loads and waste generation;
- a better and safer work environment due to implementation of advanced automation and process control technologies, and;
- implementation on an existing industrial sites, remote from residential and protected areas.

The current plant has an Integrated Environmental Permit – called Autorizzazione Integrata Ambientale - valid until 2020. Due to the modification to the plant's melting capacity a renewal of the Autorizzazione Integrata Ambientale is required. In accordance with the requirements, the renewal process has been launched six months before the start-up of the furnace through the submission of the preliminary impact assessment report. The preliminary assessment describes the difference in environmental performance before and after the project, and serves as a basis for the Competent Authorities to decide whether a full Environmental Impact

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

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Assessment is required. The preliminary study was submitted to the Bank. The information provided reassures that the environmental performance will improve after project implementation, and current emission limit values will be respected. It is thus expected that a full EIA will not be requested.

With regards to climate action, the company has defined a specific plan –involving suppliers, packagers and end consumers– to reduce the carbon footprint along the whole value chain.

With regards to closing the loop or contribution to the circular economy, the Vidrala Group works to increase the use of glass cullet; this material comes from selective sorting as well as internal rejects from the plant's production process. Improving the proportion of recycled glass reused is a clear objective for the company as it contributes to improving the outcome from an environmental perspective (resource and energy efficiency). However, there are factors beyond the company's control that affect the amount of cullet used. Mostly, this has to do with the availability of cullet in the volumes needed, as countries like Spain and Italy are net glass exporters; hence part of the production does not come back into the glass recycling loop. At the same time, the customer's colouration requirements limit the amount of recycled glass used – coloured glass cannot be used in the production of white flint glass.

Other Environmental and Social Aspects

The Vidrala Group declares itself firmly committed to protecting the environment:

- In order to minimise the impact on the environment, Vidrala implements specific action plans in relation to emissions in the atmosphere, waste management, the raw materials consumption, energy, water and noise.
- One of the Group's strategic guidelines is the implementation of environmental management systems. In line with this commitment, all the Group's production facilities have ISO 14001:2004 certification, demonstrating that Vidrala operates under the guidelines of a global, verified and recognised environmental management system.
- Furthermore, in line with its undertaking to continuous improvement, the implementation and certification of new environmental standards has begun, such as ISO 14064:2012, related to the voluntary declaration of CO₂ emissions, and the ISO 50001:2011 energy management system standard - CO₂ emissions and energy consumption are of clear significance for the company's sustainability.
- The Vidrala Group is committed to establishing occupational health and safety measures. Evidence of this is the gradual implementation based on the OSHAS 18001:2007 standard. With a view to preventing labour-related accidents, Vidrala implements specific and systematic ongoing staff training and awareness plans.

Progress in Vidrala Group's environmental efficiency is certified annually and documented in a sustainability report: see <http://www.vidrala.com/en/publications/>.

Conclusions and Recommendations

The proposed upgrade of the existing facilities in Italy will result in an improved resource and energy efficiency and environmental footprint of the produced glass products.

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



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or human life and health. Additionally, the project will result in safer and improved working conditions.

The promoter will undertake to keep the Bank timely informed on the renewal process of the Autorizzazione Integrata Ambientale (AIA permit), and share all documents provided and published during the process as well as the ultimate decisions from the Competent Authorities. The promoter will implement the project in accordance with all mitigating measures described in the environmental authorisation (AIA permit).

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

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