

Environmental and Social Data Sheet

Overview

Project Name:	Automotive Glass Manufacturing Morocco
Project Number:	2016-0869
Country:	Morocco
Project Description:	Construction of a greenfield automotive glass manufacturing plant in the Atlantic Free Zone of Kenitra in Morocco. The plant will produce windscreens, backlights and sidelights for the supply to automotive OEMs located in North Africa and Southern Europe. The project will be implemented during 2017-2019.
EIA required:	yes – the provision of the final positive decision concerning the EIA is a condition for 1 st disbursement
Project included in Carbon Footprint Exercise ¹ :	no

Environmental and Social Assessment

Environmental Assessment

The realisation of this project is in line with the Moroccan initiative called 'Plan d'Accélération Industrielle 2014-2020' – a programme to further develop a stable, productive and competitive industrial landscape. The project is also aligned with the Single Support Framework for the period 2014-2017 (*Cadre Unique d'Appui pour l'appui de l'UE au Maroc*) that supports employment and sustainable and inclusive growth in Morocco.

The environmental risks and mitigation actions identified in the Environmental Impact Assessment (EIA) report are:

- **Waste generation:** The solid waste generated will be mainly: broken glass, PVB, household and similar waste. These wastes will be separated to increase their recyclability and waste management will be managed by a specialized and approved company.
- **Waste water:** The project is expected to consume 312 m³ per day. Water is used at different stages: i.e. cooling of the cutting areas and washing of products. The water circuits are closed to extent possible. Any wastewater will be sent to the wastewater treatment plant (WWTP) set up by the manager of the industrial zone. The quality of the water coming from the unit will not require pre-treatment before sending to the WWTP.
- **Atmospheric emission:** During its operation, the project will not have significant atmospheric emissions. Small amounts of dust produced by glass cutting will be

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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captured by the cooling system of the cutting machines. Once accumulated (in the form of sludge), they will be disposed of in accordance with good practice.

- Energy use: The energy used by AGC is essentially electrical – yearly energy consumption at full capacity in the range of 40,000 MWh. To help reduce GHG emissions, AGC is planning to install a photovoltaic system on the roof of the factory. The electricity produced will be used by the factory.
- Noise: The quenching zone (cooling after tempering) and its fan have been identified as a source capable of generating a sound level in the range of 110 to 120 dBA. In order to reduce the noise level, this equipment will be placed in a sound proof box.

In general, the manufacturing plant is a state-of-the-art facility that conforms to the environmental guidelines of the AGC Group, which are in line with European state-of-the-art practices. The carbon footprint of the new plant is estimated at about 30 000 tonnes CO₂ per year.

Social Assessment

The plant is located in the Atlantic Free Zone, and it is adjacent to an agricultural area. Based on the available information, no physical displacement was necessary. Moreover, the Atlantic Free Zone was set up since 2012 and dedicated to host industrial activities.

With regards to the Core Labour standards, Morocco has ratified seven of the eight ILO Core Labour Standards (the Convention 87 on the Freedom of Association has not been ratified), however at project level, the promoter is fully aware of the ILO Core Labour Standards and will implement HR policies similar to those at their existing plants.

The objective of AGC Automotive Europe is to reinforce its European operations by following the demand of its core OEM customers. The investment in Morocco will allow to deliver Renault and the planned new plant of PSA in this country and will also offer to AGC an access to the Iberian Peninsula where it actually lacks production of naked glass for automotive OEM. As per its mid-term plan, AGC is fully committed to maintain the core of its manufacturing activities and R & D in the EU territory.

Public Consultation and Stakeholder Engagement

The Moroccan EIA procedure included public consultation in line with EU standards (project's description, non-technical summary, localization map and publication in two official newspapers). In accordance with the national law, the initial announcement of the project was done in March in 3 local newspapers, public consultation on the EIA was launched in April, finalised without issues in May, resulting in a positive decision from the Competent Authorities on the EIA in July 2017.

Other Environmental and Social Aspects

The promoter confirms its ability to use the Best Available Techniques. The principle of continuous improvement is applied in its environmental management system, as well as in the operational field of various technical improvements and equipment modernisation.

Conclusions and Recommendations

In the EU, the manufacture of glass falls under Directive 2014/52/EU amending Directive 2011/92/EU, thus requiring a formal EIA screening from the Competent Authorities. In Morocco, environmental clearance is regulated at the national level by the Ministry of Energy,



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Mining, Water and the Environment. Whether an environmental impact assessment (EIA) is required is regulated by law 12-03 (and Dahir 1-03-60) and depends on the nature and size of the project. Considering this is a greenfield plant, the Moroccan Competent Authorities (CA) required a full EIA. The EIA report was finalised in February 2017 and approved by the CA in July 2017.

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

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