

Environmental and Social Data Sheet

Overview

Project Name:	ADVANCED PORTUGAL	AUTOMOTIVE	FABRICS	PROJECT
Project Number:	20170572			
Country:	Portugal			
Project Description:	Investment to install a new and innovative automotive fabrics production plant by refurbishing an abandoned textile factory.			
EIA required:	Yes			
Project included in Carbon Footprint Exercise ¹ :	No			

Environmental and Social Assessment

The promoter's investments concern the installation of production capacity for automotive technical textiles in existing facilities, already authorised for similar activities, as well as development, research and innovation activities. The investment will be carried out in the Vila Nova de Famalicão municipality in Portugal and includes the acquisition and refurbishment of existing industrial buildings and installation of new production equipment. This is therefore covered by Annex II of the Directive 2011/92/EU as amended by Directive 2014/52/EU.

Environmental Assessment

A full Environmental Impact Assessment (EIA) was requested conducted by an experienced consultancy firm according to the relevant national legislation. The conclusions of the EIA were that the project is not expected to have a significant environmental impact and no impact on protected flora and fauna has been reported (Habitats 92/43/EEC and Birds 79/409/EEC). A license for the building usage has been issued on September 11th 2017 by the relevant Municipal Department for Planning and Urban management although the public consultation process has not yet been concluded.

The promoter fulfils international industry standards for environmental management and occupational health and safety documented through ISO 14001 and OHSAS 18001 respectively. In technical textiles plants emission thresholds are particularly relevant regarding the operation of the lacquering process. At the plant the gaseous effluents of both solvent- and water based coatings will be treated by a regenerative thermal oxidation (RTO) system. The emission levels comply with the European Directive and are a commitment in the EIA required for issuing of the building usage license.

Waste water discharge will be reduced to a minimum by effective maintenance of cooling systems, the continuous monitoring of water consumption and the installation of systems that allow a reduction of water consumption in non-productive installations. In general, the manufacturing plant is a state-of-the-art facility that conforms to the European environmental

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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guidelines and the promoter undertakes efforts, including the implementation of an Environmental Management System, to keep environmental impacts to a minimum. These are based on a regular monitoring of various parameters on the environmental quality of the site, including a range of water protection-, waste-, emission- and energy indicators.

The promoter is an innovative mid-cap company. The results of the promoter's RDI activities are expected to contribute to the development of lighter vehicles and to the introduction of more environmental-friendly production processes. The project is overall considered as environmentally acceptable with minor negative residual impact as the resulting manufacturing activities will still add to the environmental load.

Social Assessment

The site where the plant is located was previously used to manufacture textiles and is in an area dedicated to host industrial activities. With regards to the core labour standards the promoter adheres to and demands full compliance to the relevant International Labour Organization (ILO) conventions from its suppliers. These fully comply with TMG's commitment to fundamental social rights and the company's code of ethics.

TMG's requirements in the field of social and environmental responsibility are set out in special guidelines for suppliers and supplier selection is based on aspects such as environmental consciousness, including reduction of toxic substances, efficient use of materials, minimization of waste, recyclability of materials, as well as maximum durability of final products.

The results of the RDI activities to be undertaken by the promoter are expected to contribute to the reduction of emissions, for example through the reduction of toxic solvents, thus contributing to the fulfilment of more stringent EU emissions. The project also focuses on reducing the environmental impact of manufacturing processes, for example through the development and implementation of lower emission lacquers.

Conclusions and Recommendations

The investment will be implemented in existing industrial facilities and the environmental risks and mitigation actions identified in the EIA are:

- Waste generation: Various wastes will be separated to increase their recyclability and waste management will be managed by a specialized and licensed company.
- Industrial liquid discharge: In normal operation the plant will not discharge any industrial liquid in the natural environment and containment measures are envisaged in the unlikely event of an emergency situation.
- Atmospheric emission (limited to VOC): Compliance with the European directive.

Therefore, the expected negative impact is controllable when mitigation measures are in place and the appropriate construction permit and authorisations are in place. The project will have positive environmental impacts in particular on the environmental impact of manufacturing processes.

Contractual condition:

The disbursement of the funds related to the relevant components are subject to a successful outcome of the EIA process.



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Considering all of the above, the project is considered acceptable for EIB financing.

PJ/SQM/ECSO