

Environmental and Social Data Sheet

Overview

Project Name:	SISECAM GREENFIELD GLASS FIBRE PLANT
Project Number:	20170892
Country:	TURKEY
Project Description:	The project concerns the construction of a greenfield glass fibre manufacturing plant located in the industrial zone of Balikesir, Turkey. The project was launched in Q4 2017 and is expected to be completed in Q3
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	yes

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

Environmental and Social Assessment

Environmental Assessment

The project entails the construction of a new glass fibre production facility in a well-developed industrial area with a nominal capacity of 70 000 tonnes per year – a 95% capacity utilisation is foreseen. Equivalent investments in the EU would fall under Annex II of EU Directive 2014/52/EU amending Directive 2011/92/EU (EIA Directive). Considering the preventative and protective environmental measures foreseen by the promoter and the well-developed industrial location of the new facility, the Turkish Competent Authorities (CA) have screened-out the project; no full EIA was requested – official document from CA received on the 28th of February 2017.

The production facility will be equipped with new technology, resulting in a more efficient and effective glass fibre production with an improved environmental footprint, i.e. less energy intensive and reduced emissions. Furthermore, the new facility will be relocated to a fully developed industrial area, where the activities are less disturbing to surrounding communities.

EIB Carbon Footprint Exercise

The new production plant will be a state-of-the-art facility that conforms to the environmental and energy policy of the Sisecam Group, which is in line with European Best Practices. The carbon footprint of the new facility is estimated at about 50 000 tonnes CO₂ per year, about 20% lower than the carbon footprint of the existing plant.

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.

Luxembourg, 14 May 2019

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'.

Social Assessment

The new plant will be located in the Balıkesir Industrial Zone in the north-western part of Turkey, which is about 300 km south of Istanbul. Existing employees will either relocate or agree to leave the company on a voluntary basis. In cooperation with the existing trade union, a severance payment and relocation compensation package was developed. Ninety people accepted the severance package and the remaining workers (80%) will relocate to the new site.

Other Environmental and Social Aspects

The promoter confirms its ability to use Best Available Techniques. The principle of continuous improvement is applied in its environmental management system – certified ISO 14001- as well as in the operational field of various technical improvement and equipment modernisation.

Conclusions and Recommendations

In the EU, the production of glass fibre falls under Directive 2014/52/EU amending Directive 2011/92/EU, thus requiring a formal EIA screening from the Competent Authorities. In Turkey, environmental clearance is regulated at the national level by the Ministry of Environment and Urbanization. Whether an environmental impact assessment is required is regulated by the EIA Regulation published in the Official Gazette no. 29186 dated 25 November 20142 using criteria -listed in Annex 4- that are in line with Annex III₃ of the EU EIA Directive. Considering the preventative and protective environmental measures foreseen by the promoter and the fact that the new plant will be located on well-developed industrial site, the Turkish Competent Authorities did not request a full EIA.

The promoter will undertake to provide the Bank with the relevant environmental permits of the project to be issued for the operational phase.

Considering the above, the project is acceptable for financing in environmental and social terms.