



# Non - Technical Summary

Velvet CARE, Poland

17/04/2016

## **Introduction**

Velvet CARE Ltd. is Poland's leading manufacturer of sanitary products, including toilet paper, tissue paper and facial tissue, and paper towels commercialized, among others under the brand name VELVET®. The company was part of the largest American corporations in paper industry such as International Paper (1996-2003) and Kimberly Clark (2003 – 2013) where it gained experience in world-class manufacturing. Since 2013 Velvet Care has been a 100% Polish-owned company, employing 360 people. The company has its tissue mill located in the South of Poland, in Malopolska region, approximately 40 km from Krakow.

Velvet CARE manufactures its products in compliance with responsible forest resources management standards, which is confirmed by the FSC (Forest Stewardship Council) certificate. It also meets the strict ecological requirements of EU Ecolabel (Authorisation No. PL/004/002). Velvet CARE has implemented quality assurance, environment, and OHS standards, confirmed by ISO9001, ISO14001, and PN-N 18001 certificates.

Velvet CARE products satisfy top class quality and safety standards. In January 2016 the company was granted a prestigious BRC CP certificate. It is one of the most restrictive standards focusing on consumer safety, sales/market regulations compliance, and quality requirements. The company is passionately committed to environmental as well as health & safety standards.

Presently, in Velvet CARE' plant operates one tissue machine with the production capacity of 120 tons / day. The total output of the tissue machine is processed by the converting lines into finished goods: toilet paper, papers towels, tissue paper and facial tissue.

Due to dynamic growth in 2014, the company initiated a programme aimed at expanding its manufacturing capacity and installing five new production lines. As a result, the production capacity (for finished goods) has doubled. In order to ensure the required volume of semi-finished tissue reels, Velvet CARE intends to acquire and install a new tissue machine.

The planned investment project envisages construction of plant infrastructure and the installation of a new tissue machine. The project was classified - under European Union and Polish legislation - as an investment project which could have a potentially significant impact on the environment and may, thus, require Environmental Impact Assessment. The local authorities, taking into account the environmental regulations and respective opinions and decisions of environmental and sanitary authorities, has decided that the environmental impact assessment report is obligatory for the investment project. This non-technical summary presents information contained in the Environmental Impact Assessment report (EIA) and other environmental documentation prepared for the purpose of the planned installation of the new tissue machine.

According to the conclusion of the EIA, the project will have no adverse effect on the environment, will not result in exceeding respective soil and air pollution limits, and will not have any impact on water / waste water management and waste production issues. The project will not have any excessive impact on the neighbouring areas.

The landscape, heritage objects, vegetation, animals and local inhabitants will not be adversely affected. The project is consistent with the main national and European environmental policy objectives.

The local community and residents will benefit from the project implementation, which will create about 60 new jobs in the mill.

### **Sustainability**

Velvet CARE is strongly committed to every aspect of sustainability. This is demonstrated in ongoing projects and considerable investments in Health, Safety, and Environment and confirmed by successful annual audits of ISO9001, ISO14001, and PN-N 18001 systems.

The company's commitment, respect for tradition and sense of innovation are visible both, in Velvet CARE products and in social responsibility initiatives, which constitutes one of its priorities.

### **Occupational Health and Safety**

Employee safety is a priority for Velvet CARE. The staff training and corporate culture aspects of the ongoing projects, combined with massive investments in the plant's technology, are the tools deployed by Velvet Care in its pursuit of 'zero injuries' goal.

Velvet CARE demonstrates its commitment to the reduction of risk behaviours of employees and to health promotion through a challenging educational programme.

In compliance with OHSAS standards, the company conducts the following actions:

- a) Machine and Equipment Risk Assessment
- b) Working Station Risk Assessment
- c) Product Risk Assessment
- d) Employee Awareness Internal audits
- e) Prediction and Prevention Measures
- f) Identification and implementation of post-audit corrective measures
- g) Monthly housekeeping and safety audit to review the implementation of improvement plan and safe employee behaviours
- h) OHS plans for each department and monthly reviews of their implementation (expressed percentage terms)
- i) Practical and theoretical training (incl. fire safety, first aid, emergency procedures in case of spill/leakage of a chemical substance)
- j) Ensuring Personal Protection Equipment (PPE) appropriate for a given work station / job
- k) Recording 'near miss' incidents involving own and external employees
- l) Deploying preventive measures with respect to 'near miss' incidents
- m) Obligatory training for contractors operating in the company premises

### **Project Scope**

The investment project will be implemented on the industrial plot, mainly vacant and undeveloped, with no hard surface, overgrown with low and high vegetation (trees and young self-set trees). Pre-construction environmental survey has been conducted for the purpose of the investment project, specifying the trees and bushes intended for clearing - the document

was the basis for obtaining the required decision dated 01.02.2016, authorising the clearing of trees and bushes (to be performed outside bird nesting period).

The investment project includes installation of a new machine for manufacturing semi-finished tissue product, with the production capacity of 288 tons/day. Due to the fact that increased production capacity requires extended storage area, the following objects will be constructed as part of the project:

- warehouse No. 1 (6000 m<sup>2</sup> +/- 5%),
- warehouse No. 4 (5600 m<sup>2</sup> +/- 5%),
- warehouse No. 5 (3450 m<sup>2</sup> +/- 5%),

Also planned is the construction of gas-fired boiler room, adjacent to the building housing the new tissue machine, with total power of: 2 x approx. 6300 kW = approx. 12 600kW (two boilers - operating and emergency one).

The project contemplates the construction of paved areas to serve the planned buildings. Road surfaces will become a part of the plant's internal road system. The height of new buildings/objects will correspond with the existing ones. The planned roads will serve as fire services roads and will improve vehicle traffic within the plant premises.

Technical infrastructure works will include construction/modification of:

- Sewage disposal piping and network;
- Water supply piping and network;
- Central heating system based on district heating;
- Gas supply system
- Electrical wiring system

The tissue manufacture will continue to be based on fibrous raw materials from external sources, such as bleached chemical-paper pulp (both made of deciduous and coniferous wood), which considerably reduces the possible impact of the investment project.

The investment project is planned to commence in Q2 2016. Tissue manufacturing is expected to start in Q3 2017.



## Location of the Investment Project

Velvet CARE Sp. z o.o. plant located in the village of Klucze-Osada 3:

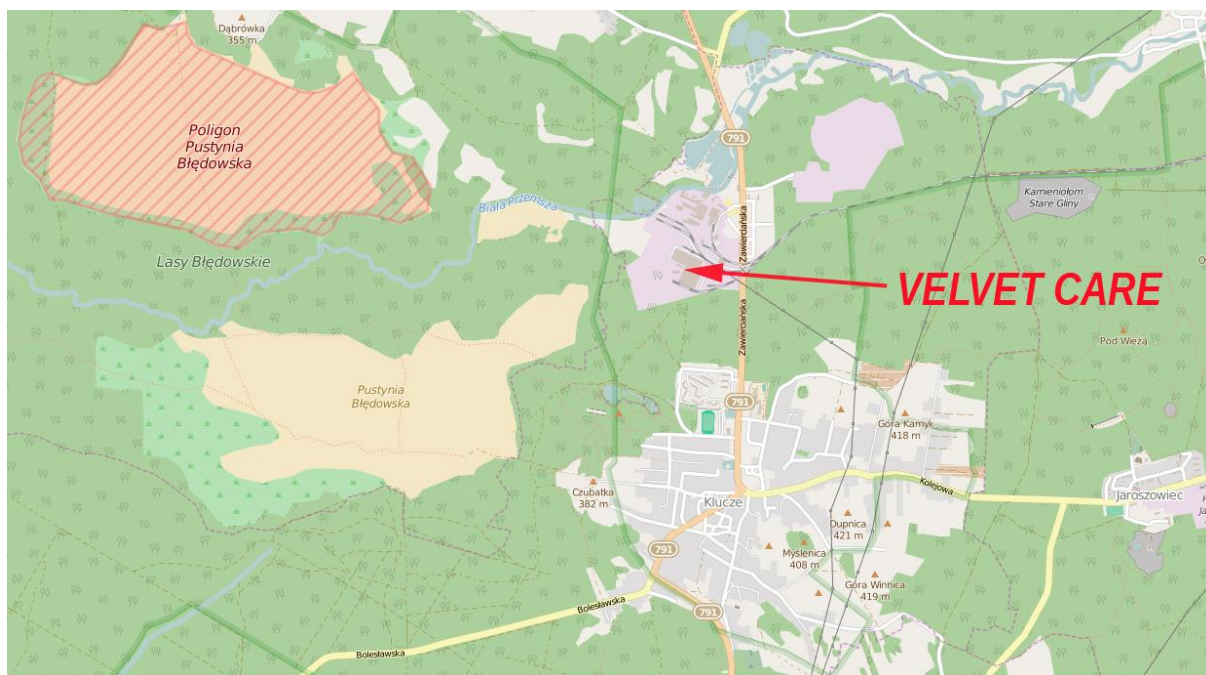


Fig. 3 Overview Map



Fig. 4 Satellite Picture

The investment project will be located on the plot No. 22/190 (area of 30.8629 ha) in Klucze (the plot owned by the Project Owner). The investment project site is adjacent to:

- in the North: other industrial areas (incl. heat and power plant, storage facilities) and residential areas (250 meters from the nearest enclosed structure planned in the investment project site),
- in the East: district road No. 791 and forests;
- in the South: forests (residential buildings in the village of Klucze - approx. 400 m from the plot boundary);
- in the West: Biała Przemsza river and forests (approx. 500 from Błędowska Desert).

There are no residential buildings in immediate vicinity of the planned investment project. The nearest residential buildings are located approx. 250 m away.

The project site is located in the area covered by the valid Local Zoning Plan adopted by the Municipal Council of Klucze Municipality in the Resolution dated 04.04.2005, No GPK.6727.87.2014. The intended purpose of the area concerned is manufacture buildings.

## **Production Technology**

The planned investment project includes installation of full technological line for tissue making. Tissue is manufactured from cellulose bales.

- The technological line is comprised of: stock preparation, tissue machine and rewinder with roll handling system

Main production steps:

- a) Dilution of cellulose with water (main raw material for tissue)
- b) Cellulose pulping (diluted cellulose is called "pulp")
- c) Pulp cleaning
- d) Pulp refining (cellulose fibres undergo mechanical treatment to achieve special tissue properties)
- e) Adding additives
- f) Formation of the web (pulp is transformed into threads)
- g) Web dewatering
- h) Web pressing
- i) Tissue web drying
- j) Winding of tissue (final raw material tissue ready for converting)

State-of-the-art technology is deployed in the drying process, enabling the reduction of energy consumption or fibre consumption.

The tissue machine contemplated in the project is a state-of-the-art and innovative solution based on ShoePress® technology - this will be one of the few pieces of machinery of that kind in Europe. The new machine will enable cost-effective manufacturing of soft / ultra soft tissue.

Due to even loading of the pressing zone, the bulking thickness of tissue is improved, which ultimately translates into fibre consumption reduced by 3-8%; wider load nip enables the reduction of energy consumptions by approx. 12%, compared to standard tissue machines.

## **Production Capacity**

As a result of the investment project, the production capacity will increase considerably from the current 120 Mt of tissue /day to approx. 408 Mt/day - the plant's infrastructure is capable of managing the needs of the plant after the expansion.

## **Key Benefits of the Project**

The purpose of the new investment project is to achieve quality, environmental, and safety improvement through deployment of state-of-the-art equipment.

The key environmental benefits are:

- a) Lower energy consumption
- b) Lower fibre (cellulose) consumption
- c) Lower emission level (due to steam generation by gas-fired boiler instead of coal-fired one)
- d) Lower water consumption (reuse of the process water)
- e) Higher % of finished (pure cellulose) product recycling

## **Nature Protection**

Due to the nature and location of the investment project, it will have no adverse impact on the object and purpose of protection of Natura 2000 areas or on other areas protected under environmental protection law.

Given the nature of the contemplated project, the volumes of substances and energy emitted to the environment as well as parameters and location of the emission sources, there is no likelihood of cross-border environmental impact of the project.

Protected areas situated in the closest vicinity of the planned investment project include:

- a) Nature reserves (Pazurek - 4.53 km)
- b) Areas of Outstanding Natural Beauty (Eagle Nests AONB - 0.56 km)
- c) National Parks (Ojcowski National Park – protection zone - 15.84 km)
- d) Protected landscape area (Miechowska Upland Protected Landscape Area] - 20.55 km)
- e) Landscape-Nature Protected Complexes (Golonskie Hill - 22.87 km)
- f) Natura 2000 special protection areas (none)
- g) Natura 2000 special areas of conservation (Błędowska Desert PLH120014 - 0.43 km)
- h) Documentation Sites (Srocza Góra - 18.56 km)

Due to the distance between the above-mentioned areas and the project site, the project will have no impact on the habitats (the investment project will not have any excessive impact on neighbouring areas).

The planned project will not affect the natural environment protected under the environmental protection act dated 16th April 2004.

## **Environmental Impact**

The technology to be deployed in the contemplated investment project is the best possible for that type of activity. Velvet Care has selected solutions, which will ensure satisfactory protection of the natural environment. The investment project will not have any excessive impact on the neighbouring area. The equipment to be installed and solutions to be deployed in the project concerned satisfy the following requirements:

- effective use of heat energy,
- minimum possible consumption of water, materials, and fuels, reasonable use of raw materials
- low-waste technologies deployed.

The planned investment project will not cause any irreversible changes to the environment; therefore, closedown of the facility will not require any extraordinary measures, other than normally applied in similar circumstances.

The project will not have any excessive impact, both during construction and operation period, as regards emission of dust, gas (high-methane natural gas used), production of waste water, production of waste material, and emission of energy in the form of heat, noise, and electromagnetic fields.

The activities involving cellulose processing should not have any significant impact on diagnosed climatic changes. Technical solutions deployed to dispose of runoff from rain tight paved areas will enable the reduction of first flush of rain water to the receiving water body (Biala Przemsza river), which would otherwise could result in flooding (due to climate warming, increased frequency of torrential rains is expected).

### **a) OHSAS Intergration**

Upon completion of the installation, the existing Integrated Management System will be gradually applied. All existing systems/procedures, including Quality, Safety and Environment ones will be applicable to the new investment project.

### **b) Utilities/Resources (electricity, gas, water, raw materials)**

The key utilities/resources required for the operation of the the tissue mill are electricity, gas, water, cellulose.

- Electricity - used by engines of technical equipment/machinery and for lighting  
Electricity is purchased from ENEA SA.
- Gas - used to produce heat for paper drying process (with the use of hood). Gas is purchased from ENEA SA.



- Water - from own deep drilled wells of Velvet Care. Maximum hourly and daily consumption of water will be approx. 162 m<sup>3</sup>/h and 3880 m<sup>3</sup>/day, compared to the present 120 m<sup>3</sup>/h and 2880 m<sup>3</sup>/day.
- Cellulose - purchased in South America, Northern and Southern Europe.

**c) Emission (air, water, non hazardous and hazardous waste)**

**Air**

Emission of air pollutants from the planned investment project site will not result in exceeding permitted concentration levels in the air. Due to the size and nature of the objects, no impact on climate is expected.

Air	TM7 simulation	Limits
Dust	10.2	15.87 Mg/annum
NO <sub>2</sub> (nitric oxide)	12.3	5.628 Mg/annum
SO <sub>2</sub> (sulphur oxide)	0.51	1.68 Mg/annum
CO (carbon monoxide)	1.73	3.36 Mg/annum

**Water**

Water will be used in the manufacturing processes and for domestic uses on the planned investment project site. Waste water, after treatment, will be disposed of to Biała Przemysz river.

Runoff and thaw water will be collected by the internal combined sewer system and disposed of to Biała Przemysz river.

Due to deployment of adequate technical solutions (industrial/domestic waste water treatment, waste water monitoring), the planned investment project - in the form presented here - will not adversely affect the body of water.

Moreover, due to deployment of adequate technical solutions (waste water disposal via sewage system, use of oil/grit separators) and consumption of underground water in volumes significantly below the available resources, no impact on underground water is expected.

**Noise**

In the analysed area, there is no "A" protection zone (health resorts, or hospital premises outside urban areas). the level of noise emission will be also limited due to adequate location of noise emitters on building roofs, equipped with relevant silencers. Thus, it can be concluded that the operation of the facilities constructed as part of the project will comply with applicable legal regulations concerning protection of acoustic climate.

Based on the calculations performed, it has been established that the noise generated by the proposed solutions will not exceed the permitted levels.

**Waste**

Waste (including hazardous waste) produced will be disposed of by companies authorised to treat/dispose of waste.

To the greatest possible degree, any waste produced during construction works will be reused/recycled on the construction site, and - only if no other option is available - removed from the site periodically or after completion of the construction works; maximum possible space will be made available for temporary storage of waste. A special place will be designated and adequately prepared for storage of waste materials produced - both municipal and originating from construction works.

The designated place will enable separate collection of individual types of waste, allowing for their future reuse/recycling. Storage of loose bulk materials, if any, such as sand, will be protected against excessive dusting and spreading to neighbouring areas. Waste management will be agreed upon between Velvet CARE and the general contractor.

The new investment project is subject to waste management procedure currently in force in the company.

### **Other Issues**

According to the EIA, the investment project will have no adverse effect on the environment, will not result in exceeding respective soil and air pollution thresholds, and will not have any impact on water / waste water management and waste production issues. The landscape, culture/heritage objects, vegetation, animals and local residents will not be adversely affected. Pursuant to the environmental decision laying down the environmental requirements pre-requisite to construction, Velvet CARE must not exceed the environmental quality standards to which Velvet CARE owns a legal title.

### **Legislation**

All investment project elements require a number of authorisations/permits concerning environmental and construction issues, prescribed under Polish law. The majority of them have already been granted and the decision concerning the last required permit is expected by 30 June 2016.

The required authorisations/permits include:

- a) Tissue Reel inter-operational warehouse - JUMBO
  - i. Final and binding building permit granted on 04 February 2016.
- b) Production floor for the new Paper-Making Machine
  - i. Consultations with residents and environmental authorities (RDOŚ) regarding planned construction are under way.
  - ii. The building permit is expected to be granted by 30 June 2016
- c) On 18 December 2015 we were granted the official decision stating that the planned investments would not have any adverse impact on the natural environment and relevant Natura 2000 areas.
- d) The investment project has been consulted and agreed upon with the State Mining Authority in Katowice [WUG] and District Mining Authority [OUG] in Krakow in terms of location of the planned investment project within the mining and former mining area. On 09 September 2015 we received favourable decision of OUG,

### **Additional information and grievance procedure**

Any comments or concerns can be brought to the attention of the company in writing (by post or e-mail) or by filling in a public grievance form (see example at the end of the document).

All grievances will be registered, assigned a number, and acknowledged as received within 7 days. A response will be provided within 30 days. Please indicate in your communication, if you wish your name to be kept confidential. A separate grievance mechanism is available to employees.

### **Grievances contact person:**

OHS Specialist, Velvet CARE

Klucze-Osada 3

32-310 Klucze

or E-mail: Contact [BHP@velvetcare.pl](mailto:BHP@velvetcare.pl)