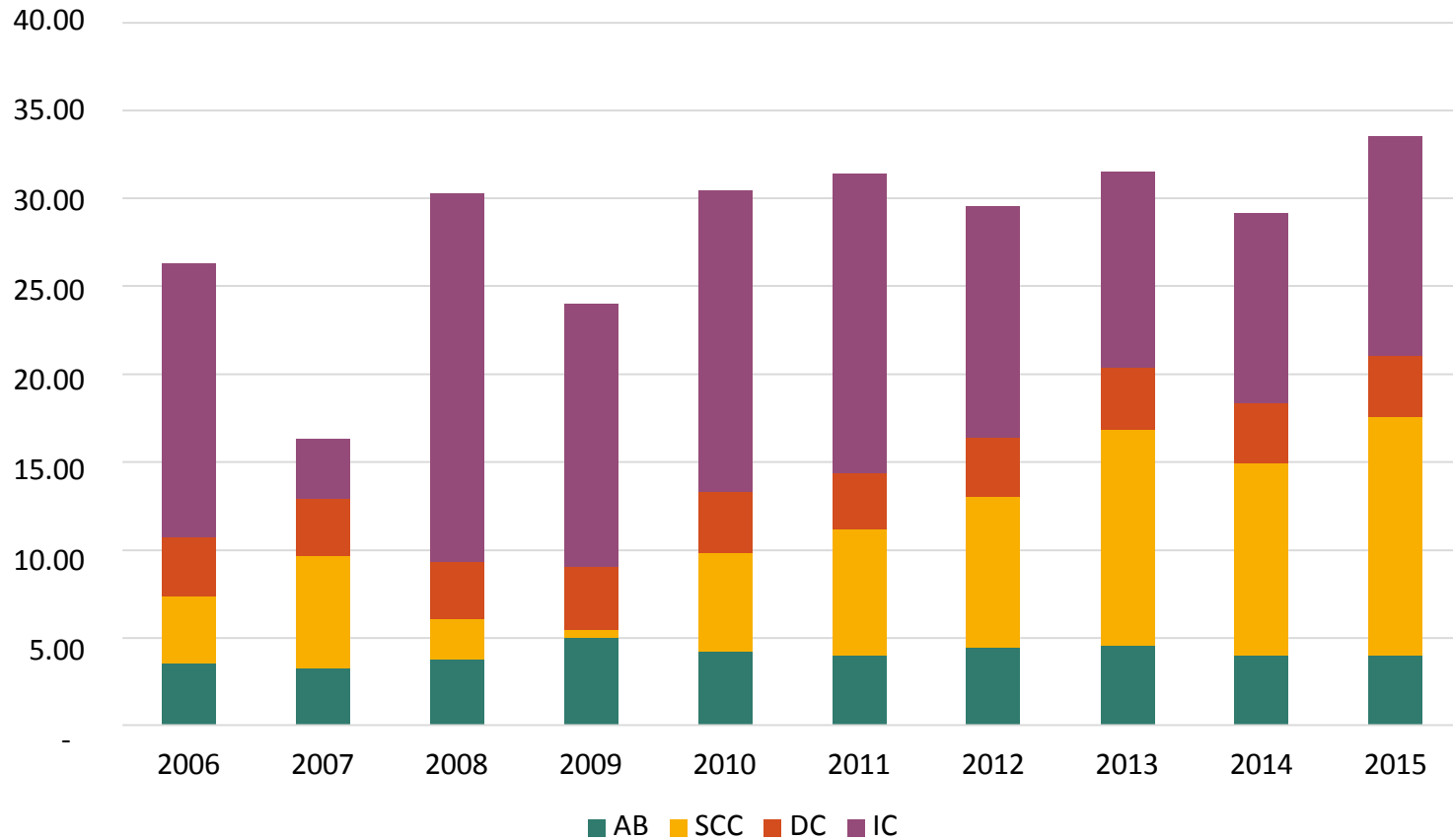


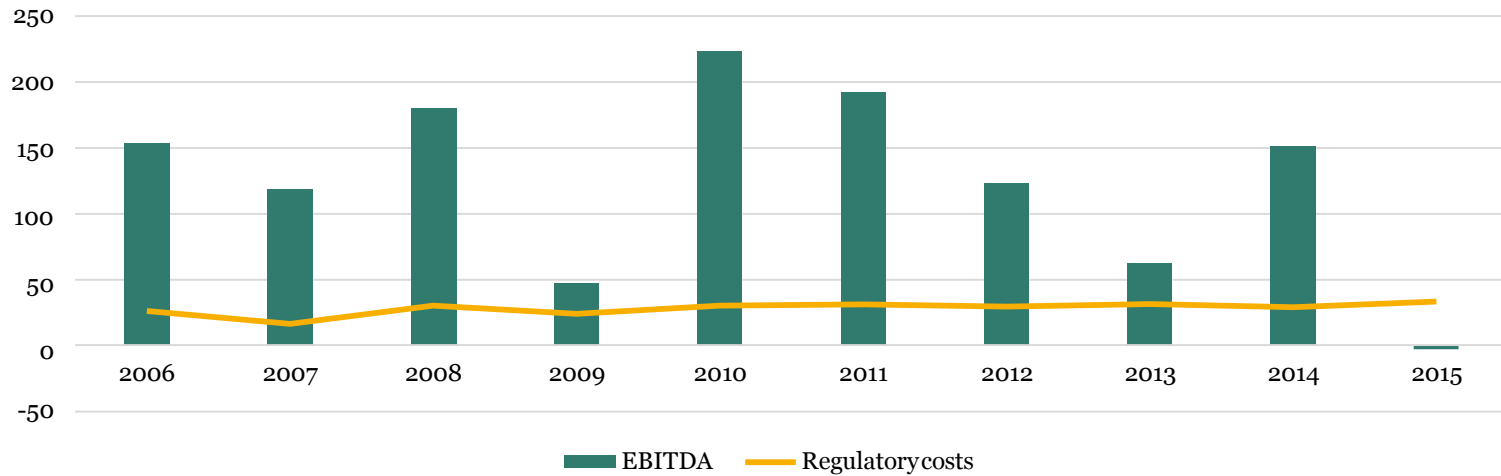
CCA learning lessons for EDG

30 October 2017

CCA per category of regulatory costs (€/t) Tableware – EU average



EBITDA (€/t) Tableware – EU average



Generic Findings

EU Regulatory costs for Domestic Glass

- ~ €30/tonne
- in a range of 1,5% to 2,4% of production costs
- trend : ascending costs



Climate change / Electricity

ETS compliance : substantive regulatory costs

- = the biggest reg. cost, and considering the expected rise in CO₂ ton, this item will represent a major stake for domestic glass
- Overalllocation has been an issue for all sectors, but is becoming an issue of the past, especially due to Phase 3 allocation rules



The trends for Electricity prices is on the rise too, strengthened for regulatory costs as from 2008

A particular case

Measuring Instruments Dir.

- For some companies, 10% of the regulatory costs are stemming from this legislation
 - Variance among individual firms' costs is considerable
- This fact will be useful in the continuing defense regarding some compliance issues such as

- Doc of Conformity
- Identification of manufacturer



Environmental Legislation:

IPPC/IED

- National and local factors influence
 - ❑ Costs linked to emission limits
 - ❑ Costs linked to administration (monitoring, inspections)

- Average investment per plant:
€2.4 mln for Tableware

- Average annual administrative costs:
€40,000 (primarily for monitoring)

- The reg. cost is 2,5 higher than
for hollowware



General/Special Workers Safety

- About 4 times higher than the cost for hollowware
 - ❑ because the domestic glass industry has a much larger workforce



Remarks



REACH costs were not considered
in the study scope



CONCLUSION

- Several regulatory costs are expected to rise
 - ❑ Climate regulatory costs are already the highest ones, and this fact will worsen, notably in function of the CO₂ price, which is scheduled to rise
 - ❑ Environmental costs will also be on the rise with the upcoming review of the BREF, ambient air
 - ❑ Workers Safety Compliance is expected to trigger bigger costs, given the upcoming waves of substances to be subject to the EU Occupational Exposure Level