

Solvay SA

European chemicals group Solvay declares truce with activist Bluebell

Companies end long-running battle over waste discharged into the Mediterranean



Solvay chief executive Ilham Kadri said the company had been working on waste elimination technology long before Bluebell emerged as a shareholder © Shutterstock

Peggy Hollinger AN HOUR AGO

Solvay and activist investor Bluebell Capital have declared the end of a long-running battle over waste discharged into the Mediterranean after the European chemicals group pledged to radically reduce the limestone residue from a flagship soda ash plant on Italy's Tuscan coast.

Solvay also revealed that it had made a breakthrough in soda ash technology that could eliminate the limestone waste, while also cutting the division's carbon emissions by 50 per cent.

Bluebell co-founder Giuseppe Bivona said the news was proof of what financial investors could achieve if they lobbied management for greater commitment to environmental and social improvements.

“It’s a great outcome in the best interests of shareholders because I am convinced that if a business is not sustainable, at some point the business will fail,” he said. Bluebell conducted its campaign after buying just a single Solvay share.

Ilham Kadri, Solvay chief executive, told the Financial Times in an interview that the company had been working on the waste elimination technology long before Bluebell emerged as a shareholder.

After making the breakthrough, which would electrify the soda ash process, the company had been able to share its plans with Bluebell and now more publicly. “We were ready because the science was ready, not me,” she said.

Solvay and Bluebell have been engaged in a public battle for almost two years over the environmental impact of the group’s plant at Rosignano, a Tuscan tourist destination famous for its white beaches.

However, the beaches owe their colour to the limestone silt, which is a byproduct of soda ash that contains Mercury, lead and other metals. Soda ash, which accounts for 15 per cent of Solvay annual revenues, is a key component of the glassmaking process.

Solvay has come under public attack by environmental campaigners, as well as Bluebell, for discharging this untreated limestone waste into the sea.

It insists the discharge contains only non-harmful levels of metals and is in line with regulatory and environmental requirements, although the renewal of its permit to operate in January was contentious as environmental activists disputed the claims.

But on Tuesday Kadri said the group has discovered “the holy grail” of soda ash processing that would result in “zero discharge”.

A pilot line to test the process would be launched in France. If successful, the technology would be rolled out across all of Solvay’s soda ash production as part of the division’s €1bn net zero carbon pledge by 2050.

Kadri said the technology had been in development for about 30 years, but a breakthrough had been achieved by Solvay's researchers this year. The first patent had been approved and more were forthcoming.

The new process would not only reduce emissions and waste, but would result in substantial capital expenditure savings, she said. However, it could take 30 years to implement the new process across the soda ash business.

"This is about environmental sustainability," said Kadri. "It is more efficient and will help our competitiveness because this new process will run with lower capex. The industrial pilot will tell us how we will run the process with less money."

In the meantime, €15mn would be invested in Rosignano to help reduce waste and emissions. Solvay pledged to cut limestone waste by 20 per cent of the allowed levels by 2030 and 40 per cent by 2040. The group has pledged its soda ash operation will be carbon neutral by 2050.

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