

Environmental and Social Data Sheet

Overview

Project Name:	BEKAERT R&D PROGRAMME
Project Number:	20140270
Country:	Belgium
Project Description:	The project comprises the promoter's European expenditures in Research, Development and Innovation (RDI) in the field of (i) advanced metal transformation, (ii) advanced materials and (iii) coatings. The project will be carried out in the promoter's R&D centre Belgium and in cooperation with research institutes and suppliers in the EU.
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	no

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

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

Some of the promoter's operations, namely metal processing, fall under the Annex II of the EIA directive 2011/92/EU; however, the project activities are limited to RDI activities that do not fall under the Directive and are therefore not subject to mandatory environmental impact assessment. The RDI and testing activities will be carried out in existing facilities that won't change their already authorised scope; therefore the project does not need an EIA.

The project includes also some R&D capex, mainly modification of existing test lines and new R&D equipment. The promoter has confirmed that no EIA has been requested for them and that the R&D and test centre where the project will take place is covered by an environmental permit recently renewed (April 2014) which is valid for 20 years. In case future capital investments not defined at this stage require an EIA, the submission to the Bank of the NTS (non-technical summary) is a continuing project undertaking included in the finance contract.

Part of the project focuses on improving the manufacturing processes of steel wire, which are notably energy intensive; moreover product innovation entail benefits for the customers, such as eliminating certain process steps thus improving environmental impact or allowing for advanced light-weight applications in motor vehicles. Therefore the project, if successful, will have positive environmental impact by reducing the promoter's and customers' operation environmental load.

In the light of the above the project is considered eligible for the Bank's financing.

Environmental and Social Assessment

Environmental Assessment

The R&D and test centre where the project will take place is covered by an environmental permit recently renewed (April 2014) which is valid for 20 years.

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.

Environmental issues are well integrated in the company management procedures. In 2012, 90% of the consolidated plants worldwide were ISO 14001 certified. Bekaert's full worldwide certification remains an ongoing goal and an element in the integration process of newly acquired entities and of the companies that have been added to the consolidation perimeter.

The promoter invests in product innovations that allow for process improvements at the production sites of the customers. Special wire coatings, for example, can eliminate certain process steps for the customers and hence improve environmental impact as well as the production cost.

Some of the promoter products have beneficial impact on the environment; for example super and ultra-tensile steel cord are used in light-weight materials in vehicles, stainless steel wedge wires are used for oil and water filtration, cable armoring solutions find application in green power transmission, and new water-based coatings substitutes for solvent-based coatings.

The promoter has on-going plans to reduce the environmental impact of its operations, mainly reducing the electricity consumption which is notably high in this kind of operations. This is done by process engineering, by developing new products with less energy intensive manufacturing processes.

Other Environmental and Social Aspects

The promoter has a corporate social responsibility strategy centred on its responsibility in the workplace, in the marketplace, towards the environment and towards society. The strategy efforts and activities focus on achieving a balanced consideration of the interests of all respective stakeholders, such as employees, customers, shareholders, partners, local governments and the communities in which the promoter is active.

The promoter has been constantly reducing the energy consumed by infrastructure and plant utilities (e.g. lighting, steam and compressed air generation). The recent achievements show an overall reduction in energy consumption in the operations by some 5% in the last 4 years. The promoter performs internal energy audits and benchmarks the different plants worldwide. A pilot project for ISO 50001 certification (energy management) has been recently launched.

The promoter has setup internal procedures that reflect the OHSAS 18001 standards. Some of the promoter operations are already certified and audits based on OHSAS 18001 are carried out regularly and action plans are implemented. Bekaert annually organizes an International Health & Safety day with active participation of all plants and offices worldwide.