

Luxembourg, 14<sup>th</sup> November 2017

## Environmental and Social Data Sheet

### Overview

Project Name:	LATECOERE AEROSTRUCTURE RDI
Project Number:	2014-0213
Country:	France, Bulgaria
Project Description:	The project concerns the promoter's investments in RDI in the field of doors, fuselage sections and avionic racks and wiring for commercial aircrafts as well as capital expenditures for the modernisation and expansion of the promoter's manufacturing capacity in France including the construction of a new advanced manufacturing plant in Toulouse, France. It also includes the construction of a greenfield assembly plant in Plovdiv, Bulgaria.
EIA required:	To be confirmed
Project included in Carbon Footprint Exercise <sup>1</sup> :	no

### Environmental and Social Assessment

#### Environmental Assessment

The promoter is a mid-sized Tier-1 supplier of aerostructure components and interconnection systems for the aerospace industry. The project includes RDI activities that will be managed and carried out by the promoter's existing R&D staff in France. The project's R&D activities are a central part of the promoter's operations and will be embedded in the existing organisational and management structure.

A part of the promoter's RDI programme focuses on safety improvement and weight reduction. As an example, the promoter claims that the development of on-board optical systems replacing the current cable wiring would allow some 70 % weight reduction. Weight reduction plays a non-negligible role in the aviation OEMs' ambitions to reduce fuel consumption and CO<sub>2</sub> emissions in order to meet increasingly stringent environmental targets.

The project also includes the construction of two green field plants for the manufacturing of Aerostructure components, the first one in Toulouse-Montredon (France) for the advanced manufacturing of high performance detail parts and the second one that will be specialised in small assemblies in Plovdiv (Bulgaria). Finally, the project includes the installation of new automated preparation and manufacturing lines for the production of Interconnection Systems in one of the promoter's existing plants in France.

The construction of the new plant in Toulouse-Montredon that started in March 2017 had been subject to declaration under ICPE (Classified Installation for Environmental Protection). Since then the promoter management has validated an additional investment to include in the project a new building dedicated to the surface treatment for the parts that will be produced by the new plant. The "surface treatment of the metallic parts" is listed in the annex II of the EIA directive (2014/52/EU amending 2011/92/EU) and may subsequently require an EIA. The promoter will have to inform the Bank about the result of the screening process by the

<sup>1</sup> 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 CO<sub>2</sub>e/year absolute (gross) or 20,000 tons CO<sub>2</sub>e/year relative (net) – both increases and savings.

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competent authorities. In any case, the promoter will need an authorisation under ICPE before starting to operate the surface treatment facility.

All the promoter's new manufacturing sites are located outside and away from any Natura 2000 area. However, in the case of the new plant in Montredon, more than 40 protected species were found on the site. Therefore, the promoter had to obtain a specific authorisation from the competent authorities (arrêté préfectoral n°31-2017-03) specifying the protection and compensation measures that will have to be taken implemented during the construction and the operation of the site. The efficiency of these measures will be controlled over the next 10 years.

### **Other Environmental and Social Aspects**

Most of the promoter's manufacturing plants are ISO 9001 and ISO 14001. The operating procedures in place are in line with best industry standards.

### **Conclusions and Recommendations**

The project concerns investments related to the research and development and to the manufacturing of aircraft components and systems that are not specifically listed in the EIA's directive Annex I or II. However, one of the project investments also includes a surface treatment facility, activity which is actually listed in the Annex II of the EIA directive. An Environmental Impact Assessment (EIA) may therefore be required under Directive 2014/52/EU amending the EIA Directive 2011/92/EU for the related project component.

A disbursement condition, linked to one tranche of the loan, will be included in the finance contract requesting the promoter to deliver to the Bank either a copy of (i) the EIA (for publication on the EIB website) and (ii) the documented evidence of the EIA acceptance by the competent authorities in case an EIA is required, or alternatively a copy of the motivated screening-out decision by the competent authorities.

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