



Luxembourg, 25.08.2022

Environmental and Social Data Sheet

Overview

Project Name:	PUNCH SUSTAINABLE POWERTRAIN SOLUTIONS
Project Number:	2021-0269
Country:	Italy, France
Project Description:	The project concerns the promoter's investments for research, development, and innovation (RDI) activities in the field of sustainable driveline and powertrain solutions for the period 2022-2025. The investments will be carried out at the company's facilities in Italy and France.

EIA required: no

Project included in Carbon Footprint Exercise¹: no

Environmental and Social Assessment

Environmental Assessment

The project consists of investments in Research, Development and Innovation (RDI) in the field of innovative component technologies for Hydrogen powertrains, Mobility Electrification, Additive Manufacturing, Electronic Controls and Data based systems and Urban Mobility applications. The project, *per se*, is not expected to generate significant environmental effects. Rather, the project is expected to *i*) contribute to decarbonise the transport sector through the introduction of hydrogen zero (Fuel Cell) and near-zero (H2-ICE) emission powertrain systems, *ii*) improve electric and fuel cell vehicle performance, and *iii*) enhance overall vehicles' energy efficiency while supporting the promoter's strategy of developing capability for future mobility solutions. Furthermore, part of the project contributes to improve the efficiency of relevant manufacturing process.

The project concerns operational Research and Development activities that are not listed in the EIA Directive and that will be carried out in existing facilities, without changing their already authorised scope. An Environmental Impact Assessment (EIA) is therefore not required under EIA Directive 2014/52/EU amending Directive 2011/92/EU.

A number of subprojects within the areas of Hydrogen, Electrification, Electronic controls and Urban mobility contribute to the Bank's Climate Action objectives as explained hereinafter.

- Some of the expected developments in said areas, have a direct impact on zero-emission mobility, most notably through (i) the development of vehicles, powertrain components and technologies for hydrogen-powered mobility applications (both Hydrogen – FC and Hydrogen ICE based); (ii) the development of electric motor technologies; and (iii) the

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO2e/year absolute (gross) or 20,000 tonnes CO2e/year relative (net) – both increases and savings.



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development of personal mobility devices powered by a mix of zero-emissions engines and physical activity.

- Other expected developments have an indirect impact on zero-emission mobility, as they enable the use of electrified vehicles by improving the efficiency of the electric auxiliary systems (electronic control platforms, energy recuperation systems, thermal management systems for electrified vehicles), which would otherwise consume too much power and render the electric vehicles inefficient.

In general, the first group of activities contribute to the Bank's CA objectives.

The scope of the project activities is in line with the objectives set by the Paris Agreement on Climate and with the EIB's Climate Bank Roadmap as it targets the development of low-carbon technology and products, as well as circular economy processes and resource efficiency in the context of the Additive Manufacturing sub-project.

The project's R&D activities represent a central part of the promoter's core activities, and will be managed in their existing organisational structure and carried out by the promoter's R&D staff in Italy and France. The operating procedures in place are in line with stringent automotive industry standards and the project's environmental sustainability is expected to be governed by said procedures.

Other Environmental and Social Aspects

The project concerns two of the promoter's group companies. The first one is located in Torino and carries out primarily Research, development and Engineering activities; the second one is located in Strasbourg, it carries out primarily manufacturing activities and to a lesser extent R&D&E activities.

The company based in Strasbourg was awarded an ISO 45001 Occupational Health and Safety certification as well as an ISO 14001 Environmental Management certification. The main Environmental KPIs published in its CSR report include CO₂ and GHG emissions (Monitoring of tons of CO₂ emitted under Scope 1 and 2 per equivalent unit of product), electricity consumption, materials' recycling rate, water consumption and chemical consumption, as well as the environmental impact of use of the products manufactured - in terms of fuel consumption reduction.

The first CSR report covering Torino site will be published shortly, but due to the scope of the activities, ISO 14001 and ISO18001/ISO 45001 are not implemented.

Conclusions and Recommendations

An Environmental Impact Assessment (EIA) is not required under EIA Directive 2014/52/EU amending Directive 2011/92/EU. The project activities *per se* are not expected to generate significant environmental effects; the project R&D activities are expected to contribute to the decarbonisation of the transport sector through the introduction of hydrogen zero (Fuel Cell) and near-zero (H₂-ICE) emission powertrain systems, to improve electric and fuel cell vehicle performance and enhance overall energy efficiency of vehicles. It will therefore contribute to reducing fuel consumption and CO₂ emissions of the automotive fleet and subsequently to increased environmental sustainability in Europe.

The project will also contribute to further knowledge creation and diffusion, through the promoter's R&D collaborations with universities and industrial partners, and to relevant upskilling and retraining of the promoter's workforce to operate in the evolving technology and market context. The project is therefore acceptable for EIB financing in E&S terms.