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**Public**

## Environmental and Social Data Sheet<sup>1</sup>

### Overview

Project Name:	BATTERY SYSTEMS RDI - GREEN LOAN
Project Number:	2022-0191
Country:	Germany
Project Description:	The project concerns the promoter's investments in R&D for innovative technologies for application in battery electric, plug-in hybrid electric and fuel-cell electric vehicles. It specifically includes investments for technologies in the fields of battery systems.
EIA required:	no
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise <sup>2</sup> :	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 battery electric, plug-in hybrid electric and fuel-cell electric vehicle applications. It will contribute to improve electric and fuel cell vehicle performance (e.g. weight, durability etc.) and enhance overall energy efficiency while supporting the promoter's strategy of developing capability for future mobility solutions. The project focuses on technologies in the fields of battery systems. Expected results of the project portfolio include increased product efficiency and safety, reduced emissions and the development of a broad range innovative solutions targeting electric and fuel cell vehicle applications.

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

<sup>1</sup> The information contained in the document reflects the requirement related to the environmental, social and climate information to be provided to Investment Committee as required by the Invest EU Regulation and it represents the equivalent of the information required in the template of the InvestEU sustainability proofing summary

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



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authorised scope. The project is therefore not subject to the EIA Directive 2014 amending Directive 2011, so an EIA Screening or an EIA procedure are not required.

The project's R&D activities represent a central part of the promoter's operations and will be managed in the existing organisational structure and carried out by the promoter's R&D staff in Germany. 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.

## **Climate Assessment**

### ***Climate change mitigation***

The project concerns the development of electric vehicle technologies for the automotive (passenger car and commercial vehicles) sector. The R&D activities cover developments of platforms, modules and technologies (pre-development) as well as the products in specific applications (series development). The developments have a direct impact on electro mobility through the development of battery systems for Battery Electric and Fuel Cell Electric applications.

The project components fall under section B VII in the 2022 Climate Action Environmental Sustainability guidance, in the categories Research Development and Innovation in (i) the Manufacture of other low carbon technologies, (ii) manufacture of equipment for the production and use of hydrogen, (iii) manufacture of batteries, and more specifically concerns the development of zero emission solutions based on Battery EVs and Fuel Cells EVs.

Overriding objectives across all developments include cost and efficiency improvements, and lower weight and volume, while certain of the development also focus on new functionality, increased durability, and improved safety characteristics. All these (and in particular cost) are important hurdles of the electrification technologies, and by addressing them, the project will enable the wider adoption of the technology in the sector.

### ***Climate change adaptation***

The project's activities will take place in existing industrial sites, and given the location, and the sector of activity, the initial climate risk is assessed as Low.

### ***Paris Alignment of the project***

The project to be financed by the Bank concerns the promoter's investment in the field of zero emission transport technologies and as such is aligned with the Bank's Climate Bank Roadmap.

## **Social Assessment**

The promoter is expected to comply with all applicable labour and social legislation. The company's focus on labour standards and health and safety issues is strong and some of its elements are described under the section "Other Environmental and Social Aspects" below. With the appropriate management systems in place the social risks and impacts are considered to be low. No social risks or issues are expected during the project's implementation.

## **Other Environmental and Social Aspects**

In line with automotive industry best practices, the promoter has a strong safety culture and good operating and HSE (Health, Safety and Environment) procedures in place. As of 2021, 97% of the promoter's sites, covering 88% of employees, are certified to ISO 9001 (quality)



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91% of sites, covering 81% of employees, are certified to IATF 16949 (requirements for quality management systems in the automotive industry) and 91% of sites, covering 82% of employees, are certified according to ISO 14001 (environment). Almost half of the employees are also covered by management systems certified to ISO 45001 and OHRIS (occupational safety). In 2021, the promoter was recognized by the Top Employers Institute as a “Top Employer” in Germany, China and Romania.

The promoter participates in various ratings (e.g. Ecovadis) that measure and evaluate its sustainability performance. The promoter also developed a Supplier Code of Conduct, binding for all suppliers from March 2022, which is aimed at protecting human rights and the environment along the supply chain. A whistle blower hotline, launched at the end of 2021, is open to any stakeholder.

## Conclusions and Recommendations

The project is not expected to have any significant impact neither on the natural and human environment nor on public health. In addition, the outcomes of the project are expected to have a strong contribution to the decarbonisation of the automotive sector, the improvement of its safety characteristics, and to its overall sustainability. The project activities per se do not have any direct impact on the environment; however the project R&D activities contribute to further develop innovative component technologies for application in battery electric, plug-in hybrid electric and fuel-cell electric vehicles. It will contribute to improve electric and fuel cell vehicle performance, enhance their overall energy efficiency, reduce their manufacturing cost and then final price, and therefore lower the barriers to the adoption of such vehicles in the market. It will therefore contribute to reducing fuel consumption and CO<sub>2</sub> emissions of the automotive sector 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.

Sustainability proofing conclusion: The project is carried out in compliance with applicable national and EU climate, environmental and social legislation. Based on the environmental, climate and social information and based on the review of the likely significant environmental, climate and social risks and impacts and the mitigation measures and management systems in place, the project is deemed to have low residual environmental, climate and social risks and impacts. No further sustainability proofing is therefore required.

The project is acceptable for EIB financing in environment, climate and social terms.