

Luxembourg, 28.10.2024

Public Environmental and Social Data Sheet¹

Overview

Project Name:	TOUAX SUSTAINABLE TRANSPORTATION
Project Number:	2023-0331
Country:	France
Project Description:	The project consists in the acquisition of approximately 900 freight railcars to be leased for rail operations across Europe
EIA required:	no
Invest EU sustainability proofing required	yes
Project included in Carbon Footprint Exercise:	yes

Environmental and Social Assessment

Environmental Assessment

The project entails the acquisition of approximately 900 new railcars, consisting of standard interoperable types of wagons, such as intermodal wagons, car carrying wagons, and open box wagons, to be rented to freight railway operators in Europe. Second hand railcars and assets not registered in the EU or EFTA Member States and railcars dedicated to the transport of fossil fuels are excluded from the financing.

Purchase of rail rolling stock is not regulated by the Environmental Impact Assessment (EIA) Directive (Directive 2011/92/EU as amended by Directive 2014/52/EU). Therefore, no EIA is required for the project.

The new rolling stock will be maintained in existing workshops located across Europe; no renovation or expansion of associated facilities is envisaged because of the project. Main maintenance centres with which the promoter Touax SCA has currently agreements in place are mostly located in Germany, France, Czech Republic, and Slovenia.

With the acquisition of new railcars, the Promoter will contribute to partly renew and expand the existing ageing fleet of railcars in Europe. The replaced rolling stock could be sold to rail companies or other external parties or would be scrapped when reaching asset end-of-life. Ultimately the railcars are 100% recycled, as they are constituted by 99.5% of recyclable metals, and 0.5% of spare parts (rubber tightness seals in the braking system, rubber buffer in the shock and traction) that the promoter can use for the maintenance of other wagons. Any vehicle scrapping will be carried out by companies specifically authorised for this activity.

The new freight wagons will be operated on the European railway network and contribute to improving the modal share of the rail vis à vis road, and by this means, are expected to have positive environmental impact in terms of safety, energy savings, air pollution, noise and CO₂

¹ 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



Luxembourg, 28.10.2024

emissions. In addition, the new wagons will be in conformity with the current relevant requirements concerning noise and will be equipped with low-noise brake blocks. On a tonne - km basis, rail freight has the potential to bring about significant energy savings, emission reductions and safety improvements if compared to other transport modes. Rail freight may also improve noise level on an aggregate basis. The project should not have any significant negative impact on the environment.

The project has been assessed by the Bank's services as aligned with the objectives of the Paris Agreement in accordance with the criteria set out in the Climate Bank Roadmap. The project consists of acquisition of railcars that will be used predominantly with electric traction; this is a zero direct emissions technology because the emissions are only generated at energy production, and thus meets the criteria for substantial contribution to tackle Climate Mitigation. Therefore, it is considered to be aligned with the low carbon goal. The climate risk of the project is assessed as low and, therefore, it is considered to be aligned with the resilience goal.

EIB Paris Alignment for Counterparties (PATH) Framework

The promoter Touax SCA is in scope and screened out of the PATH framework, because, being a lessor of its owned assets, it is not considered high emitting and/or high vulnerability.

EIB Carbon Footprint Exercise

The project is included on the following basis:

Estimated annual emissions of the project in a standard year of operation:

- Estimated absolute (gross) emissions are 30,900 tonnes of CO₂ equivalent/year
- Estimated emissions savings are 40,900 tonnes of CO₂ equivalent/year

The project assessment boundaries are:

- In the absolute case: the acquisition of approximately 900 new railcars
- In the baseline case: 70% of the existing railcars that will be replaced with the new acquisition will remain in service, the remaining traffic will be shifted to road.

The forecasts in the baseline and absolute cases are based on Bank Services' project specific assumptions about the workload of rail services and energy efficiency of rail operations.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year, as a proportion of project cost.

These forecasts may differ from those of the promoter due to different assumptions, boundaries, and baselines.

Other Environmental and Social Aspects

Different types of social and environmental risks are associated with railcar leasing, such as on-going compliance with procedures and regulatory requirements relating to Safety, Quality and the Environment, unintended discharges of chemicals or other hazardous substances, unintended air and water discharges, soil and groundwater contamination, rail or level crossing accidents and other hazardous events.

Based on the assessment carried out, the promoter possesses a good understanding on the potential environmental impacts of its activities and showed capacity to manage and execute these investments from an environmental and social point of view. The new wagons will be in conformity with the current relevant requirements concerning noise and will be equipped with low-noise brake blocks that will mitigate the noise emissions.



Luxembourg, 28.10.2024

The promoter has developed an Ethic and Sustainable Procurement Policy that will be implemented gradually within the next three years in supply contracts in order to ensure that all major Touax suppliers commit to the company's sustainable procurement policy.

The promoter also invests in efficiency measures, equipping all its newly acquired railcars with the latest technical improvements, including optimisation on wagon payload and the replacement of cast iron soles with less polluting soles made from composite material.

The leasing contracts require the lessees to comply with European freight transportation rules and expressly mention the ban on transporting radioactive products and waste as well as corrosive materials.

Conclusions and Recommendations

The project is expected to increase the modal share of rail in the freight transportation, in particular by comparison with the "without project" scenario. The project is expected to have positive environmental impact in terms of safety, energy savings, air pollution, noise and CO2 emissions.

The investments targeted by the operation are expected to have no significant negative social or environmental impact.

The Promoter will be required to ensure that all its assets and equipment (existing and new) comply with the relevant standards, procedures, regulatory requirements and legislation to provide the safe transportation of goods, in particular for goods that could pose additional and/or specific risks to the environment and communities. The Promoter will also put in place adequate monitoring measures to ensure that the companies operating the assets comply with the applicable EU environmental law and the EIB environmental and social standards.

InvestEU Sustainability Proofing conclusion: The Project is expected to be carried out in compliance with applicable national and EU environmental and social legislation. No further sustainability proofing is required.

Under conditions above, the project is acceptable for EIB financing from an environmental and social perspective.