

Luxembourg, 24 July 2024

Public

Environmental and Social Data Sheet¹

Overview

Project Name:	TAU GROUP (IEU GT2)
Project Number:	2023-0773
Country:	Italy
Project Description:	The project concerns the scale-up of capacity of an existing production facility from an annual capacity of 2 K to 12 K tons of magnet wire for automotive, renewable energy and consumer applications. The project also includes the promoter's RDI including facility and equipment capex, for the development of new wire solutions in automotive and adjacent markets. The investments will be made in Turin, Italy, during the period 2024-2027.
EIA required:	no
Invest EU sustainability proofing required	no
Project included in Carbon Footprint Exercise ² :	no

Environmental and Social Assessment

Environmental Assessment

The promoter develops and produces insulated magnet wire, based on a patented technology (DryCycle) to apply the insulating material (polymers) on the wire without any solvents. The objective of the project is to replace the existing magnet wire enamelling solutions, which are based on hazardous and polluting solvents (i.e. VOC), establishing a new industry standard of sustainable, solvent-free, high-performance magnet wire that enables and accelerates the transition to electrification.

The Project covers the scale-up of capacity of an existing production facility from an annual capacity of 2 K to 12 K tons of magnet wire for automotive, renewable energy and consumer applications. In addition it includes RDI activities for the development of new wire solutions in automotive and adjacent markets and investments associated with supporting the growth of the promoter.

The project activities are not listed in Annexes I or II of EIA Directive 2014/52/EU, amending EIA Directive 2011/92/EU.

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



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The promoter's magnet wire is a superior material that enables the adoption of higher-voltage EV architectures through increased power density facilitating much reduced recharge times, reduced vehicle's mass and cost. As such the activity concerns the manufacture of components that are essential for delivering and improving the environmental performance of zero emissions vehicles. Key target applications support automotive electrification, and the use of smaller motors will enable additional indirect CO2 footprint reduction.

Climate Assessment

Climate change mitigation

The project encompasses deployment and innovations supporting the use of solid-state dry varnishes instead of solvent-based ones preventing VOC and CO2 emissions in the production of magnetic wire. By replacing the legacy process, based on solvents, which are toxic, polluting, and burned-in-the-process, the promoter's production process prevents CO2 emissions from the production of magnet wire. The total reduction of CO2 emissions (Scope 1 and 2) associated with the transformation process is estimated at over 40% when compared to equivalent Polyamide-imide (PAI) insulated product. This benefit is primarily driven by the absence of solvents in the manufacturing process.

Climate change adaptation

The project's activities will take place in existing facilities which have received all relevant permits to operate. Given the location, and the sector of activity, the climate risk is assessed as low.

Paris Alignment of projects

The project to be financed by the Bank concerns the promoter's investment in the field of magnet wire which is essential for delivering and improving the environmental performance of zero emissions vehicles. As such is aligned with the Bank's Climate Bank Roadmap and is also considered partially eligible under Environmental Sustainability.

Social Assessment

The promoter is expected to comply with all applicable labour and social legislation. 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.

Conclusions and Recommendations

The project is not expected to have significant negative effects either on the natural and human environment or on public health.

The outcomes of the project are expected to make a strong contribution to climate change mitigation by significantly reducing emissions (CO2, VOC) associated with the production of legacy magnet wire. The manufacturing process is achieved in a single step, resulting in reduced product non-conformity and scrap rates. In addition, a focus of the R&D effort is to further refine the manufacturing process to use recycled insulating material.

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 the review of potential risks, 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 environmental, climate and social terms.