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Public

Environmental and Social Data Sheet¹

Overview

Project Name:	AVL AUTOMOTIVE TEST SYSTEMS RDI
Project Number:	2022-0486
Country:	Austria
Project Description:	The project includes the promoter's investments in innovative technologies in the field of: (i) advanced powertrain solutions, including batteries, fuel cell vehicles and electrified vehicles; (ii) ADAS and AD validation methodologies; (iii) AI-based manufacturing for automotive applications; (iv) advanced simulation for battery electric and fuel-cell vehicles; (v) test systems for electrified vehicles and digitalised testing.
EIA required:	no
Invest EU sustainability proofing required:	yes
Project included in Carbon Footprint Exercise ² :	no

Environmental and Social Assessment

Environmental Assessment

The project consists of investments in Research, Development and Innovation (RDI) in the field of innovative system and validation technologies for battery electric, fuel-cell electric and ADAS/AS vehicle applications. It will contribute to improve electric and fuel cell vehicle performance (e.g., weight, durability) and enhance overall energy efficiency while supporting the promoter's strategy of developing capability for future mobility solutions. The project focuses on key product and enabling technologies spanning Powertrain Engineering, Instrumentation and Test Systems and Advanced Simulation Technologies. Expected project results include increased product efficiency and safety, reduced emissions and the development of a broad range innovative solutions targeting electric, fuel cell and ADAS/AS vehicle applications.

The project concerns operational Research and Development activities will be carried out in existing facilities without changing their already authorised scope. The project activities do not fall under Annexes I and II of the EIA Directive 2014/52/EU amending the 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

² 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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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 Austria. 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.

The counterparty is in scope of the EIB's PATH framework but not included among companies belonging to high emitting industrial segments and is therefore screened out. AVL's activities (being an engineering company with no manufacturing) do not have a significant environmental impact. The outcomes of the development activities, however, are deployed in vehicles that do contribute to the global environmental load.

Climate Assessment

Climate change mitigation

The project concerns the development of electric and ADAS/AS vehicle technologies for the automotive (passenger car and commercial vehicles) sector. About 70% of the project investment concerns R&D activities that aim at the improvement of the environmental characteristics of motor vehicles while the other remaining part aims at the improvement of safety and connectivity aspects of motor vehicles. The environmental related activities mainly concern the development of the electrified powertrains as well as related simulation and test systems. The activities related to Advanced Driver Assistance Systems (ADAS) contribute primarily to safety, but also indirectly to the reduction of fuel consumption. The developments have a direct impact on electro mobility through the development of battery systems for Battery Electric and Fuel Cell Electric applications.

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 projects

The project to be financed by the Bank primarily 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.



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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. AVL has a strong quality and sustainability focus and its Quality and Environmental Management Systems are certified under the ISO 9001, ISO 14001 and VDA 6.4 standards.

The company issues an annual CSR report outlining the promoter's strategy regarding corporate governance, environmental and social responsibility. The promoter has been a member of respAct since 2009 and has thus recognized and is fully committed to the requirements of the UN Global Compact.

Conclusions and Recommendations

The project is not expected to have any significant negative 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 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 CO₂ 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.