

**Public**

Environmental and Social Data Sheet

Overview

Project Name:	FCA PLUG-IN HYBRID ELECTRIC VEHICLES - COVID-19
Project Number:	2020-0358
Country:	<i>Italy</i>
Project Description:	The project concerns the promoter's (i) investments to setup an innovative production line for the manufacturing of plug-in hybrid electric vehicles (PHEVs), at the promoter's production plant in Pomigliano (Italy); and (ii) investments in R&D activities in the field of vehicle automation, safety and connectivity, at the promoter's R&D centers mainly in Torino (Italy).
EIA required:	no
Project included in Carbon Footprint Exercise ¹ :	yes
(details for projects included are provided in section: "EIB Carbon Footprint Exercise")	

Environmental and Social Assessment

Environmental Assessment

The RDI component of the project does not fall under the EIA Directive, the R&D activities will be carried out in existing facilities without changing their already authorised scope and do not have any significant negative environmental impact.

The manufacturing of motor vehicles activities fall under Annex II of the Directive 2014/52/EU amending the EIA Directive 2011/92/EU. The plant operates under an existing Integrated Environmental Authorization (IEA) granted on 21/12/2017 (update from previous authorisations in 2012). The new operations do not substantially increase any of the controlled values and are not expected to have any significant impact on the environment as defined in the relevant articles and annexes of the applicable Italian law (DECRETO LEGISLATIVO 152/06), and therefore the changes have been assessed as being non-substantial. Consequently, the promoter is not required to perform an environmental impact analysis, but is required to communicate to the competent authorities (Region of Campania) the non-substantial changes. The changes are tacitly approved after sixty days of receipt of the communication (promoter plans to submit it in the beginning of July), unless the Region expressly objects within this period, and the tacit approval by the region will be a condition for disbursement of the relevant amounts. As the updated IEA concerns the operations of the facility and not the actual implementation of the changes, a response from the Region requiring minor modifications in the IEA process would also be considered as acceptable (CP will be waived), but the promoter would undertake to provide the Bank with the updated information.

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.



In certain areas such as the logistics warehouse, construction works subject to permits are envisaged. The promoter will undertake to inform and send to the Bank the relevant construction permits.

The R&D project has strong sustainability objectives both in terms of environment (reduction of CO₂ emissions through the deployment of Plug-in Hybrid vehicles), and safety (development of automated and connected vehicle technologies). It is consistent with the EIB Transport Lending Policy because it concerns deployment of innovative technologies contributing to the development of a more efficient and sustainable European transport system. The part of the project related to the deployment of the Plug-in hybrid vehicles is in line with the Bank's Climate Mitigation objectives.

EIB Carbon Footprint Exercise

The project's **Absolute** annual emissions in a standard year of operation are estimated at about 53.2 kT CO₂e/year. The **Relative** annual emissions are expected to be in the order of 1.9 kT CO₂e/year (increase).

The absolute values concern the emissions from the production of the new vehicles at the plant, and not the ones from the currently produced vehicles. The emissions have been estimated for the production of 180,000 vehicles, which is the current planned maximum figure.

Baseline scenario: Without the project, none of the new vehicles would be produced in the plant, as the set-up of a new assembly line is required, and all 180,000 vehicles would be manufactured in other facilities. As a reference for the baseline, the services used the CO₂ emissions characteristics from a plant where a similar vehicle will be produced.

Energy consumption and CO₂ emissions data have been provided by the promoter, and do not take into consideration any of the expected future reductions of emissions of the electricity grid.

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.

Other Environmental and Social Aspects

The Group has implemented an Environmental Management System ("EMS") worldwide, aligned with ISO 14001 standards. The EMS consists of a system of methodologies and processes designed to prevent or reduce the environmental impact of the Group's manufacturing activities through, for example, reductions in emissions, water consumption and waste generation, and conservation of energy and raw materials. Since the end of 2019, the majority of the Group's manufacturing plants have an ISO 14001 certified EMS in place.

Specifically, the Pomigliano d'Arco plant is certified according to the ISO 14001 (Environmental Management), ISO 50001 (Energy management system) and OHSAS 18001 (Occupational Health and Safety management systems). Over the last years, the plant has launched a series of initiatives focused on improvement of energy consumption in the manufacturing process and since 2012, the energy required per car has been reduced by 49%.



Conclusions and Recommendations

Conclusions and Recommendations

The RDI component of the project does not fall under the EIA Directive, the R&D activities will be carried out in existing facilities without changing their already authorised scope and do not have any significant environmental impact. The manufacturing of motor-vehicles falls under Annex II of the Directive 2014/52/EU amending the EIA Directive 2011/92/EU. The concerned manufacturing facility operates under the existing Integrated Environmental Authorizations (IEA).

- a. The promoter will submit to the authorities a communication describing the operational changes and its approval will be a condition for disbursement of the relevant amounts.
- b. The promoter will undertake to provide the Bank with a copy of the notification to the Region and all the associated information or communications from the Region.
- c. The promoter will undertake to inform and send to the Bank the relevant construction permits

The project is not expected to have any significant additional impact neither on the natural and human environment nor on public health. In addition, the outcomes of the project are expected to have a positive contribution to the decarbonisation of the automotive sector, and as such a part of the project contributes to the Bank's Climate Action Mitigation objectives.

In light of the above and pending the successful resolution of the above conditions, the overall environmental and social rating of the project is considered to be acceptable for the Bank's financing.