

Environmental and Social Data Sheet

Overview

Project Name: FCA GROUP R&D
 Project Number: 2014-0683
 Country: ITALY
 Project Description: The project concerns the promoter's R&D activities in Italy for the development of advanced fuel efficient powertrains and vehicle technologies (2015-2017), including efficient alternative fuel powertrains and lightweight materials. It also includes capital expenditures for advanced machinery and equipment for the production of gasoline/natural gas and diesel engines in the Italian regions of Campania and Molise.

EIA required: no

Project included in Carbon Footprint Exercise¹: no

(details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The project has two parts: the largest part of the project concerns R&D activities that will be carried out in existing facilities without changing their already authorised scope and do not have any significant negative environmental impact. The second part (about 20% of the project) concerns the expenditures in machinery and equipment for the set-up of production of two new engines in two existing plants for which no specific operational and environmental authorisations are required. An Environmental Impact Assessment (EIA) is therefore not required by EIA Directive 2011/92/EU. The project is considered as environmentally acceptable with minor negative residual impact mainly due to the manufacturing component.

Environmental and Social Assessment

Environmental Assessment

About half of the R&D activities (which constitute about 80% of the total project) aim at the improvement of the environmental characteristics of motor vehicles mainly in terms of reduction of fuel consumption, hence of CO₂ emissions and also local polluting emissions, while the other half aims at the improvement of safety aspects of motor vehicles, including active, passive and preventive safety and also development of efficient info-mobility systems designed to promote safe and convenient mobility for all.

The second part of the project concerns the:

- a) Set-up of a new production system in the Gasoline Engine plant in Termoli to produce the company's new mid-sized longitudinal petrol engine. It will be composed by 3 machining lines and 1 assembly & testing line.
- b) Installation of a new aluminium cylinder block production line in the Diesel Engine Plant in Pratola Serra, for the manufacturing of the new 2.2L longitudinal diesel engine. In addition

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.

to this new line the rest of the production (mainly the crankshaft machining and engine assembly areas) will be renewed through: 1) retooling 2) machinery replacement and 3) increased flexibility, quality and ergonomics.

The new production lines will comply with the best Powertrain Manufacturing practices and World Class Manufacturing requirements using the best technologies and machinery and in their design particular attention is paid to the sustainability, efficiency, safety, ergonomics and energy efficiency.

In both cases the implementations will be performed within the existing buildings and no specific operational and environmental approvals are needed.

Other Environmental and Social Aspects

According to an independent company specialised in sustainability evaluations, Fiat's performance in the environmental domain is good and particularly strong in the areas of environmental management and policies, while exhibiting strong improvement in the environmental performance. In 2013, the company had 81% of its operations were covered by ISO14001-certified EMS.

Between 2011 and 2013, the company's absolute CO₂ emissions (scope 1 and 2) have decreased by 17.6% relative to turnover on annual basis. In the same period the company's waste has decreased by nearly 15% relative to revenues and similarly, the company has also reduced by 10% waste sent to landfill. Finally, water consumption decreased by 24% relative to revenues per annum.

In 2013, for the fifth consecutive year, Fiat S.p.A. was included in the Dow Jones Sustainability Indexes (DJSI) World and Europe. Also Fiat S.p.A. was the leader in the Italy 100 Carbon Disclosure Leadership Index and the Carbon Performance Leadership Index.