

Environmental and Social Data Sheet

Overview

Project Name: FCA GREEN PRODUCTS AND PROCESSES R&D
 Project Number: 2016-0562
 Country: ITALY
 Project Description: The project concerns the promoter's R&D activities: (i) for fuel and energy efficiency improvement and emission reductions in motor-vehicles with gasoline, alternative fuel and electric hybrid powertrains; (ii) for energy efficiency improvement at production plant processes ("green and smart factories"); (iii) for the enhancement of vehicle security. These activities will be carried out at the promoter's RDI centres in Italy. It also includes some capital expenditures in a factory producing vehicle components, located in a Cohesion region (Puglia) in Italy.

EIA required: no

Project included in Carbon Footprint Exercise¹: no

Environmental and Social Assessment

Environmental Assessment

The largest part of the project (about 93%) concerns R&D activities that by their nature do not have any significant negative environmental impact. In addition about 76% of the project investment concerns R&D activities that 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 remaining part of the R&D aims at the improvement of security aspects of motor vehicles, improvement of energy efficiency, ergonomic characteristics and efficiency of manufacturing plants.

About 7% of the project concerns the capital expenditures in the Magneti Marelli existing plant in Modugno – Puglia (Less developed region) for the installation of new and modification of production lines (machining lines, assembly and testing lines). The new production lines will comply with the highest standards of FCA's "World Class Manufacturing" principles through which particular attention is put to the sustainability, efficiency, safety, ergonomics and energy efficiency. The investments in this project have been included in a regional funding program for environmental sustainability and development of the Puglia Region.

The production capacity of the plant will be increased but no new or updated operating authorisations have been requested by the competent authorities with the exception of the "Certificato Prevenzione Incendi - C.P.I." which certifies compliance with fire prevention regulations and the existence of the fire safety requirements. The new certification will be required only at the start of works (1st quarter 2017). A relevant condition will be put in the finance contract.

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 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Luxembourg, 15th November 2016

Other Environmental and Social Aspects

146 out of the 166 plants worldwide (corresponding to about 97% of manufacturing employees) are certified in accordance with the international ISO 14001 standard. Since 2010 the company has reduced by 19.5% the energy consumption and some 21% the waste generated per vehicle produced.

Conclusions and Recommendations

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 7% of the project) concerns the expenditures in tooling and machinery for the set-up of production of new components in an existing plant, and no specific environmental authorisations have been required, (an Environmental Impact Assessment (EIA) is not be required by EIA Directive 2011/92/EU). In addition no updated operational approvals are required with the exception of the "Certificato Prevenzione Incendi ' - C.P.I." (certificate of compliance with fire prevention regulations and the existence of the fire safety requirements), which will be required at the start of works (Q1 2017), and which the promoter will make available to the EIB once available.

The project is considered as environmentally acceptable for financing by the Bank.

PJ/SQM/ECSO 15.10.15