

Methane and biomethane conference in Bologna for the G7 Environment

Bologna, 8 June 2017

Sustainable mobility took centre stage today in Bologna. The conference entitled "Natural gas and biomethane, national excellences for sustainability" was held in the Enzo Biagi Auditorium at the presence of the Italian Ministry of the Environment and Protection of Land and Sea and the top managers of Fiat Chrysler Automobiles, IVECO and Snam. IVECO was represented by Pierre Lahutte, IVECO Brand President.



Organised by Econometrica-Centro Studi Promotor in collaboration with ANFIA, CIB (the Italian Biogas consortium) and Confagricoltura, the conference is part of the #All4TheGreen programme organised in conjunction with the "Environment G7" meeting which will be held on June 11 and 12 in Bologna and will bring together the environment ministers of the seven most industrialised countries in the world.

The conference provided the opportunity to present the study entitled "Economic and environmental advantages of methane as automotive fuel in 2016" to local and central authorities, the press, representative of stakeholders and companies. This document, written by Centro Studi Promotor of Econometrica, offers the most up-to-date overview of how widespread is the use of natural gas as automotive fuel in Italy. Some elements are particularly interesting: the savings in emissions and spending that were achieved last year at national, regional and provincial level by using natural gas instead of traditional automotive fuels amounted to nearly two billion Euro. Nearly one million and a half tonnes of CO2 emissions were avoided by using methane fuelled vehicles.

The study also named the local authorities with the best national performance in terms of natural gas use. Finally, the best cases were used to build a nationwide application scenario to quantify the possible savings in economic and emissions terms. It results that if the dissemination of methane fuelled vehicles of the most virtuous province (that of Ancona) were applied to the entire country, the

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potential economic savings would have totalled 11 billion Euro with eight million and half tonnes less of CO₂ emissions.

The awards were given by FCA, IVECO (a brand of CNH Industrial) and Snam, the companies that signed an agreement last October - in the presence of the Ministers for Economic Development Carlo Calenda and of Infrastructures Graziano Delrio - with the objective of fostering the development of natural gas as automotive fuel within the framework of sustainable mobility and its promotion. This agreement is becoming a fundamental asset in the national strategy for decarbonisation and sustainability. According to the terms of the memorandum, FCA, IVECO and Snam are actively working together to accelerate the further development of methane for automotive use (in the form of CNG, Compressed Natural Gas). Methane is readily available and more sustainable than traditional fuels, and it is capable of generating major benefits for the environment and in economic terms for consumers, companies and public administrations.

Among its strategies, FCA pursues the development of alternative fuel engines: it is a leader in CNG technologies and in the recent past has significantly developed its range, currently made up of twelve models, making one of the fullest in the entire motoring panorama.

IVECO has acquired a major technological advantage in natural gas engines and has developed a complete range of vehicles running on CNG and LNG (Liquefied Natural Gas), from the Daily light commercial vehicle to the Urbanway city bus and the new Stralis LNG long-haul vehicle launched a year ago. This confirms the potential of methane as fuel for commercial vehicles, public transport and public services, sectors in which the brand is a key player.

Together, FCA and IVECO are planning a further expansion of their range of natural gas vehicles, which are already among the world's most complete, bringing even more innovation to an area of Italian technological excellence that sets the benchmark and is recognised around the world.

They will play an active role in the promotion of the offering and targeted marketing operations.

Snam, as European leader in the construction and management of infrastructures for the natural gas market, will be offering its consolidated experience in the sector by investing approximately 150 million Euro over the next five years to promote the development of CNG fuel stations. This will significantly increase the number of methane pumps - currently totalling 1,200 nationwide - and improve the quality of service to customers, in addition to ensuring a more balanced distribution in all regions according to synergistic development methods and priorities in parallel to the evolution of the number of light and heavy vehicles on the road.

After the speeches of the presidents of ANFIA (Aurelio Nervo), CIB (Piero Gattoni) and Confagricoltura (Massimiliano Giansanti), who delved into the development prospects of the alternative fuel supply chains, the day really lived up with the round table meeting chaired by Gian Primo Quagliano. The president of Econometrica and Centro Studi Promotor directed a barrage of questions at Pierre Lahutte (IVECO Brand President), Alfredo Altavilla (Chief Operating Officer for the EMEA Region of Fiat Chrysler Automobiles) and Marco Alverà (Chief Executive Officer of Snam).

In his speech, IVECO Brand President Pierre Lahutte stressed the role of IVECO as trailblazer in the natural gas sector: "We started investing in natural gas technology when no-one believed it could be applied to commercial vehicles and buses, anticipating a trend which is now current across Europe." "IVECO's product strategy aims to provide customers with vehicles that enable them to be more and more sustainable, in both environmental and financial terms," added Lahutte. "IVECO is the only manufacturer to offer a full range of models fuelled with natural gas, both compressed (CNG) and liquefied (LNG), from light commercial vehicles and long-haul trucks to buses. Our relentless commitment to developing new sustainable technology means that IVECO is leading the alternative traction vehicle market in Europe: today, there are over 21,000 natural gas IVECO vehicles on the road, of which over 7,500 dedicated to public transport."

Lahutte finally reasserted IVECO's opinion on biomethane: "Biomethane is a winning technology, an integral part of a circular economy in which municipal and farming waste is converted into biogas to be used to fuel our vehicles. Implementing sustainable mobility policies, however, requires a major commitment also to develop the methane and biomethane distribution and fuel station network infrastructure both for compressed and liquefied use. We hope that institutions, vehicle

manufacturers and gas supply chain operators will work together to make the distribution network even more widespread.”

In his speech, Altavilla said that "methane is the solution which today offers the best cost to environmental-friendliness ratio. As a result of its higher energy content, a vehicle can travel fifty percent further on one kilogramme of methane than on one litre of petrol. From the environmental point of view, natural gas is the fuel with the highest developed energy to emitted CO2 ratio: as a consequence, it can contribute in major fashion to reducing greenhouse gases. With regards to polluting emissions, methane cancels out particulate and reduces the most harmful pollutants, such as nitrogen oxides and non-methane hydrocarbons".

"Importantly, natural gas may become a real renewable source with biomethane, which is made from domestic, industrial and farming waste", continued the FCA Chief Operating Officer. "The 'well to wheel' analysis (which considers the entire production and use cycle of energy) shows that the ecological advantage of biomethane vehicles may be comparable to that of electrical vehicles from renewable sources".

Altavilla concluded explaining that "this fuel is a reality that already today plays a key role in reducing the transport generated emissions. It may become the winning card in the commitment to improve air quality more and more. The prospects offered by biomethane allows an important quality leap in the direction of circular economic already today thanks to smart waste reuse. The estimated biomethane production potential in Italy is approximately eight billion cubic metres per year. As you can see, methane represents the future and FCA is ready".

Snam Chief Executive Officer Marco Alverà commented: "An increasing number of European and worldwide capitals are implementing more stringent measures to fight particulate pollution and also our cities must act immediately with concrete measures. In this regard methane provides great advantages. First of all, it is immediately feasible. Natural gas vehicles have the same performances, and potentially superior, of gasoline and diesel fuelled vehicles, and eliminate particulate matter. Moreover, natural gas vehicles allow for a 40% saving of CO2 emissions with respect to traditional

fuels and the environmental footprint of biomethane is similar to electric vehicles derived at 100% from renewable sources.

"Methane for vehicles, and soon biomethane, is not a temporary but a permanent solution for a zero emission mobility". Alverà added: "We will put all our efforts in significantly increasing methane supply through cities, roads and motorways, preserving our role of infrastructure operator, providing our technical know-how and our infrastructure to anyone who is keen to invest in natural gas for transport".

The three top managers of FCA, IVECO and Snam then awarded the three regions that distinguished themselves the most in the field of automotive methane in 2016. One award went to Emilia Romagna as the most virtuous region for automotive methane use in 2016, while Lombardy received an award for being the region that saw the highest growth of compressed and liquefied natural gas distributors in the years from 2010 to 2016. Apulia per awarded for its natural gas use plan aimed at decarbonising the industries present in the region and for the actual use of this fuel for transport.

The conference was closed by Minister of the Environment Gian Luca Galletti who - continuing the commitment expressed by the Ministers for Economic Development Carlo Calenda and of Infrastructures and Transports Graziano Delrio when the memorandum was signed in October - reasserted that the investment in the Italian methane gas supply chain was a key element clearly defined by the government in the National Energy Strategy. "This is a cornerstone on the necessary path towards decarbonisation which must lead us to overcome traditional fuels, such as petroleum and coal", he said.

"We need to aim towards a new model of sustainable mobility, increasing the efficiency of the public transport vehicle fleet, which today is ageing and polluting, and focusing on a broad common work oriented towards orientation with the major players in the transport sector", explained Galletti. "Agreements such as this spur us strongly in this direction", the minister concluded.

IVECO

IVECO is a brand of CNH Industrial N.V., a World leader in Capital Goods listed on the New York Stock Exchange (NYSE: CNHI) and on the Mercato Telematico Azionario of the Borsa Italiana (MI: CNHI). IVECO designs, manufactures and markets a wide range of light, medium and heavy commercial vehicles, off-road trucks, and vehicles for applications such as off-road missions.

The brand's wide range of products include the Daily, a vehicle that covers the 3 – 7.2 ton vehicle weight segment, the Eurocargo from 6 – 19 tons, the Trakker (dedicated to off-road missions) and the Stralis, both over 16 tons. In addition, the IVECO Astra brand builds off-road trucks, rigid and articulated dumpers as well as special vehicles.

IVECO employs close to 21,000 individuals globally. It manages production sites in 7 countries throughout Europe, Asia, Africa, Oceania and Latin America where it produces vehicles featuring the latest advanced technologies. 4,200 sales and service outlets in over 160 countries guarantee technical support wherever an IVECO vehicle is at work.

For further information about IVECO: www.iveco.com

For further information about CNH Industrial: www.cnhindustrial.com

For further information, please contact:

IVECO Press Office – EMEA Region

pressoffice@iveco.com

www.ivecopress.com

Tel. +39 011 00 72965

Facebook: <https://www.facebook.com/IVECO/>

YouTube: <https://www.youtube.com/user/ivecoitaly>

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