# **Fiat Chrysler Automobiles NV - Climate Change 2020**

## **C0. Introduction**

## **C0.1**

### **(C0.1) Give a general description and introduction to your organization.**

We are a global automotive group engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems worldwide through over a hundred manufacturing facilities and over forty research and development centers. We have operations in more than forty countries and sell our vehicles directly or through distributors and dealers in more than a hundred and thirty countries. We design, engineer, manufacture, distribute and sell vehicles for the mass-market under the Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia and Ram brands, and the SRT performance vehicle designation. For our mass-market vehicle brands, we have centralized design, engineering, development and manufacturing operations, which allow us to efficiently operate on a global scale. We support our vehicle shipments with the sale of related service parts and accessories, as well as service contracts, worldwide under the Mopar brand name for mass-market vehicles. In addition, we design, engineer, manufacture, distribute and sell luxury vehicles under the Maserati brand. We make available retail and dealer financing, leasing and rental services through our subsidiaries, joint ventures and commercial arrangements with third party financial institutions. In addition, we operate in the components and production systems sectors under the Teksid and Comau brands. On October, 22, 2018, FCA announced that it has entered into a definitive agreement to sell its Magneti Marelli business to CK Holdings Co., Ltd. On May 2, 2019, FCA completed the sale of Magneti Marelli. This report does not include information about Magneti Marelli.

In 2019, we shipped 4.4 million vehicles (including the group's unconsolidated joint ventures), resulting in Net revenues of €108.2 billion and Net profit of €6.6 billion.

## **C0.2**

### **(C0.2) State the start and end date of the year for which you are reporting data.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Start date** | **End date** | **Indicate if you are providing emissions data for past reporting years** | **Select the number of past reporting years you will be providing emissions data for** |
| Reporting year | January 1 2019 | December 31 2019 | No | <Not Applicable> |

## **C0.3**

### **(C0.3) Select the countries/areas for which you will be supplying data.**

Argentina

Brazil

Canada

China

France

India

Italy

Mexico

Poland

Portugal

Romania

Serbia

Spain

Turkey

United States of America

## **C0.4**

### **(C0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

## **C0.5**

### **(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

## **C-TO0.7/C-TS0.7**

### **(C-TO0.7/C-TS0.7) For which transport modes will you be providing data?**

Light Duty Vehicles (LDV)

## **C1. Governance**

## **C1.1**

### **(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

## **C1.1a**

### **(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

|  |  |
| --- | --- |
| **Position of individual(s)** | **Please explain** |
| Board-level committee | The Board of Directors (BoD) as a whole is responsible for the strategy of the Company and given the importance of integrating the Group’s economic choices with those of a social and environmental nature, responsibility for climate change is allocated at the FCA BoD level through 1) the Governance and Sustainability Committee, that is composed of 2) certain members of the Board of Directors. The Governance and Sustainability Committee (a sub-committee of the Board of Directors) is responsible for, among other things, assisting and advising the Board of Directors with: a) monitoring and evaluating reports on the Group’s sustainable development policies and practices, management standards, strategy, performance and governance globally; and b) reviewing, assessing and making recommendations as to strategic guidelines for sustainability-related issues. The Governance and Sustainability Committee reports regularly to the Board of Directors regarding its actions and makes recommendation. EXAMPLE OF A CLIMATE-RELATED DECISION - During 2019, the Governance and Sustainability Committee met once with 100 percent attendance of its members at that meeting. The Committee reviewed among others, the sustainability achievements and objectives. In addition, discussions on climate-related issues were also conveyed to the Governance and Sustainability Committee. |

## **C1.1b**

### **(C1.1b) Provide further details on the board’s oversight of climate-related issues.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Frequency with which climate-related issues are a scheduled agenda item** | **Governance mechanisms into which climate-related issues are integrated** | **Scope of board-level oversight** | **Please explain** |
| Scheduled – all meetings | Reviewing and guiding risk management policies | <Not Applicable> | DESCRIPTION – Due to the nature of the products we produce and sell in the automotive industry, risks posed by climate change cannot be separated from other business risks. The management and mitigation of risks to our business encompass a broad array of possibilities including risks posed by climate change, and whether considering local, regional or global risks, their impact can range from minor to significant. FCA’s Enterprise Risk Management (ERM) model defines a risk as any event that could impact the Company’s ability to achieve its objectives. Our approach to managing those risks is based on the framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and was adapted to the unique needs of the Group. Adhering to the core elements of business planning, execution, monitoring and adapting allows us to manage by making informed, risk-based decisions. The Board's Audit Committee is responsible for assisting and advising the Board of Directors’ oversight of, among others, risk management guidelines and policies. EXAMPLE – On an annual basis, an enterprise risk assessment is performed, beginning with our operating segments. Risks identified to have high or medium-high residual risk rating within our Group are considered significant risks. Results of the assessment are consolidated into a Group report for review and validation with the Global Risk Management Committee (GRMC) and Group CEO. In addition, the most significant risks to the Group are discussed with the Group Executive Council (GEC) to support the monitoring of these risks along with the respective mitigation efforts. Once validated, results are discussed with the Audit Committee, assisting the Board of Directors in their responsibility for strategic oversight of risk management activities. In 2019, among key global risks identified, those ones connected with climate-related issues were related to Regulatory Compliance and Technology Development and Product Launch. These key global risks affect our ability to manage the impact of regulatory compliance with vehicle fuel economy, greenhouse gas and zero emission vehicle requirements, as well as to develop and launch products with new technologies (e.g., electrification and propulsion, autonomous driving and connected vehicles) to meet regulatory requirements and customer expectations. |
| Scheduled – all meetings | Reviewing and guiding strategy  Setting performance objectives  Monitoring implementation and performance of objectives  Monitoring and overseeing progress against goals and targets for addressing climate-related issues | <Not Applicable> | DESCRIPTION – FCA’s sustainability model incorporates the need to implement robust processes as well as strengthen cultural buy-in to simultaneously achieve our economic and social responsibility objectives. The Group has established processes to align our long-term business strategy with the needs of internal and external stakeholders, to assess our ability to meet these targets, and to identify opportunities for improvement. In order to implement meaningful sustainability practices and optimize the management of sustainability aspects within the Company, FCA involves all areas, functions and levels of employees, from the top of the management chain to workers in plants and offices around the world. The Group also actively promotes environmental and social responsibility among our many suppliers (for further details please refer to answer provided in C12.1a). Among several entities, helping direct a disciplined approach to sustainability management, the Board's Governance and Sustainability Committee is responsible for assisting and advising the Board of Directors with: 1) monitoring and evaluating reports on the Group’s sustainable development policies and practices, management standards, strategy, performance and governance globally; and 2) reviewing, assessing and making recommendations as to strategic guidelines for sustainability-related issues, and reviewing the annual Sustainability Report. EXAMPLE –During 2019, the Governance and Sustainability Committee met once with 100% attendance of its members at that meeting. The Committee reviewed among others, the sustainability achievements and objective. In addition, discussions on climate-related issues were also conveyed to the Governance and Sustainability Committee. |
| Scheduled – all meetings | Reviewing and guiding major plans of action  Reviewing and guiding annual budgets  Reviewing and guiding business plans | <Not Applicable> | DESCRIPTION – The governance mechanism items checked indicates the level of integration and overlap of general FCA core management topics with climate-related aspects. The Board of Directors as a whole is composed of three executive Directors (i.e., the Chairman and the Chief Executive Officer, and the Chief Financial Officer), having responsibility for the day-to-day management of the Company, and nine non-executive Directors, who do not have such day-to-day responsibility within the Company or the Group. It is the responsibility of the non-executive Directors to supervise the policies carried out by the executive Directors and the general affairs of the Company and its affiliated enterprise, including the implementation of the strategy of the Company regarding long-term value creation. With a view to maintaining supervision on the Company, the non-executive Directors regularly discuss FCA’s long-term business plans, the implementation of such plans and the risks associated with such plans with the executive Directors. EXAMPLE – In June 2018, FCA’s leadership presented our 2018-2022 Business Plan which reflects FCA’s commitment to transitioning to a lower-carbon economy as an integral part of our overall strategy. The FCA 2018-2022 business plan presents our expectation to continue reducing CO2 emissions through a collection of technologies that will vary by market, aligning with the vehicle mix, consumer needs and the regulatory framework. The plan anticipates that we will offer electrified propulsion systems (battery electric, plug-in hybrid electric, full-hybrid and mild-hybrid) and that by 2022, more than 30 nameplates will feature one or more of these systems. During 2019, FCA's CEO highlighted additional measures to improve operating results. The business plan and the additional measures mentioned above build upon the strategic actions to generate volume growth and margin expansion through, among others: 1) the implementation of various electrified powertrain applications throughout the portfolio, supplemented with third-party agreements for the purchase of regulatory credits, as part of our regulatory compliance strategy; 2) continuing to explore opportunities to develop partnerships to share technologies and platforms, enhance skill set related to autonomous driving technologies, preserve full optionality and ensure speed to market. |
| Scheduled – all meetings | Overseeing major capital expenditures, acquisitions and divestitures | <Not Applicable> | DESCRIPTION – The governance mechanism item checked indicates the level of integration and overlap of general FCA core management topics with climate-related aspects. As a Group, FCA is conscious of the effect that our activities and products have on society and the environment, and of our role in developing solutions to reduce our environmental footprint. FCA considers environmental protection as a key consideration to be fostered in the overall approach to business. In planning a new product or new production process, we consider its environmental impact in the context of technical, commercial and economic decisions. New projects include, but are not restricted to, directly managed operations (new product development; new production and other process enhancements; brownfield renovation and greenfield activities; mergers and acquisitions) and non-directly managed operations (cooperation and commercial agreements, joint venture partnerships, suppliers, dealers and other business partners). EXAMPLE – One example of how climate-related issues are integrated in strategic decisions for major capital expenditures is the FCA Jeep plant in Goiana (Pernambuco State, Brazil). Construction began in September 2012 and FCA dedicated significant know-how and resources to the construction of the Jeep plant, which can be considered one of the most technologically-advanced and sustainable Group plants in the world. Focused on reducing greenhouse gas (GHG) emissions, the FCA LATAM Carbon Neutral Program aims to measure, manage, reduce and offset the annual GHG emissions produced from the daily activities of the regional plants. For this reason, an inventory of emissions was developed for all manufacturing locations and parts distribution centers in LATAM. In 2017, the assembly plant in Goiana (Brazil) was Latin America’s first auto plant to have neutralized its emissions and to obtain the Carbon Neutral certificate. The plant’s climate impact was zero as a result of its use of 100% renewable electricity and cleaner fuels. For emissions that cannot be eliminated through the adoption of renewable energy, a plan for quantification, reduction and compensation was implemented with the acquisition of carbon credits through Certified Emission Reduction (CER) regulated through the United Nations Clean Development Mechanism. In addition, the plant implemented other actions such as planting seedlings, recovering environmentally degraded areas and raising awareness among its suppliers. Currently all of the FCA plants in LATAM have developed their inventories of emissions and underwent third-party verification. In addition to the assembly plant in Goiana, the following also obtained certification as Carbon Neutral in Brazil: engine plants in Campo Largo and Betim; component plant in Jaboatão dos Guararapes; and parts distribution centers in Betim and Hortolândia. These facilities accounts for more than half of the energy consumption within the LATAM region. |

## **C1.2**

### **(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name of the position(s) and/or committee(s)** | **Reporting line** | **Responsibility** | **Coverage of responsibility** | **Frequency of reporting to the board on climate-related issues** |
| Other C-Suite Officer, please specify (Group Executive Council (GEC)) | <Not Applicable> | Both assessing and managing climate-related risks and opportunities | <Not Applicable> | More frequently than quarterly |
| Other C-Suite Officer, please specify (Chief Audit, Sustainability and Compliance Officer) | <Not Applicable> | Assessing climate-related risks and opportunities | <Not Applicable> | Annually |
| Chief Financial Officer (CFO) | <Not Applicable> | Assessing climate-related risks and opportunities | <Not Applicable> | As important matters arise |

## **C1.2a**

### **(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

1. On certain key industrial matters, the CEO, who is also a Board member, is supported by the Group Executive Council (GEC), which is responsible for executing the decisions of the CEO and Board of Directors, and the day-to-day management of the Company, primarily to the extent it relates to its operational management, including reviewing the operating performance of the businesses and collaborating on certain operational matters. Within the GEC, several positions are responsible for assessing and managing climate-related risks and opportunities.

• The global innovation and product development activities are centrally coordinated by the Chief Technology Officer (CTO). In particular, the CTO leads FCA Research and Development (R&D) and is responsible for stimulating opportunities for synergies and technology transfer across the entire enterprise. The CTO is a member of the GEC and a direct report of the CEO. Historically, we have concentrated the majority of our efficiency research efforts in two areas: reducing vehicle demand energy and reducing fuel consumption and emissions. Fuel consumption and emissions reduction activities have been primarily focused on powertrain technologies including: engines, transmissions and drivelines, hybrid and electric propulsion and alternative fuels.

• The Vehicle Safety and Regulatory Compliance organization reports to the Company’s Chief Technical Compliance Officer (CTCO) who is a GEC member and reported out to the Board of Directors in 2019.

• Both the Chief Audit, Sustainability and Compliance Officer and the Chief Manufacturing Officer are also members of the GEC.

2. The Chief Audit, Sustainability and Compliance Officer, who reports to the CEO, coordinates the activities of the Sustainability Team. On an annual basis, he reports to the Board of Directors, which is composed of both executive and non-executive members, and is responsible for the management and strategic direction of the Group in view of long-term value creation. The Board’s Governance and Sustainability Committee evaluates proposals related to strategic sustainability initiatives, advises the full Board as necessary, and reviews the annual Sustainability Report. The Chief Audit, Sustainability and Compliance Officer is also a member of the Group Executive Council (GEC), the GEC approves operating guidelines and plays a vital role in ensuring that sustainability efforts are aligned with economic and business objectives. Climate-related issues are monitored through sustainability-focused targets and progress monitored toward achievement through a three-phase approach:

• Planning Phase: goals are drafted by the Sustainability Team in collaboration with FCA’s operating segments, regions and corporate functions. These proposed targets are submitted to the GEC, which evaluates their consistency with the business plan and strategy, and either approves or modifies the targets.

• Management Phase: FCA’s various operating segments, regions or corporate functions are accountable for managing projects and achieving the targets. These organizations take responsibility for implementing the initiatives by bringing their unique resources, tools and knowledge to bear in meeting the specific targets.

• Control Phase: involves a series of project updates that target owners provide to the Sustainability Team, which in turn informs the GEC of ongoing progress. The FCA Sustainability Report communicates progress toward achievement of these targets to stakeholders on an annual basis.

3. Risk Management Committees are responsible for supporting risk governance in their respective region/sector. A Global Risk Management Committee (GRMC) was established in 2017 to promote a culture of proactive risk monitoring and management by the relevant risk owners throughout the Group. The GRMC is chaired by the Group CFO, who is also a Board member beginning April 2019, and other members are representatives from the Legal, Risk Management, Internal Audit functions and from business operations. The mission of this Committee is to provide broad process oversight and to facilitate our integrated risk assessment process. In addition, we utilize the operational focus of our existing Product and Commercial Committees to support risk governance. The Product Committee oversees capital investment, engineering and product development, while the Commercial Committee oversees matters related to sales and marketing. Both committees include executive managers from each of the Companies’ brands, all of whom also have separate functional responsibilities across all the brands. Through our integrated approach, our various committees support our GEC, CFO, CEO and Board of Directors (through the Audit Committee) with risk oversight. Key global risks identified in 2019, include among others, those connected with climate-related issues: Regulatory Compliance and Technology Development, and Product Launch.

## **C1.3**

### **(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

|  |  |  |
| --- | --- | --- |
|  | **Provide incentives for the management of climate-related issues** | **Comment** |
| Row 1 | Yes |  |

## **C1.3a**

### **(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

|  |  |  |  |
| --- | --- | --- | --- |
| **Entitled to incentive** | **Type of incentive** | **Activity inventivized** | **Comment** |
| Corporate executive team | Monetary reward | Efficiency target | The quality of our leadership and their commitment to the Company are fundamental to our success. FCA’s remuneration principles support our business strategy and growth objectives in a diverse and evolving global market. Our remuneration policies are designed to competitively reward the achievement of long-term sustainable performance and to attract, motivate and retain highly qualified executives who are committed to performing their roles in the long-term interest of our shareholders. Given the changing international standards regarding responsible and sound remuneration, a variety of factors are taken into consideration when evaluating compensation, such as the complexity of functions, the scope of responsibilities, the alignment of risks and rewards, national and international legislation and the long-term objectives of the Company and its shareholders. Overall Group sustainability performance (including matters impacting climate change) is rewarded. A portion of executive compensation is variable, based on goal achievement. The executives responsible for – and therefore whose goals are related to – climate change issues, are consequently measured and compensated based on how well they address those risk areas. |

## **C2. Risks and opportunities**

## **C2.1**

### **(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

## **C2.1a**

### **(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **From (years)** | **To (years)** | **Comment** |
| Short-term | 0 | 2 | 0-2 years is the timeframe used to assess impacts of climate-related risks and opportunities in the short term. FCA acknowledges the challenges posed by climate change and as a result, has set targets that contribute to the goal of transitioning to a low-carbon future (entailing both transition risks such as policies and current and emerging regulation, new technologies, and market expectations, legal and reputation damages which are likely to adjust and shift earlier, and physical risks such as frequency and intensity of storms, floods, and droughts). FCA periodically establishes sustainability-focused targets and monitors progress toward achievement. The FCA Sustainability Report communicates progress toward achievement of these targets to stakeholders on an annual basis. Thus, this timeframe is aligned with the business practices of i) reviewing annual budget and investments; ii) monitoring level of achievements of sustainability targets; iii) annual risk assessment that includes climate change risks (both physical and transition). |
| Medium-term | 2 | 5 | 2-5 years is the timeframe used to assess impacts of climate-related risks and opportunities in the medium term. This timeframe is aligned with the time horizon of execution of the FCA 2018-2022 Business Plan. In this timeframe, risks and opportunities assessment is also paired with the ability to manage the impact of regulatory compliance with vehicle fuel economy greenhouse gas and zero emission vehicle requirements, as well as to develop and launch products with new technologies (e.g., electrification and propulsion, autonomous driving and connected vehicles) to meet regulatory requirements and customer expectations. |
| Long-term | 5 | 10 | 5-10 years is the longer timeframe used to assess impacts of climate-related risks and opportunities in the long term. A longer time horizon than 10 years introduces an increasing level of uncertainty and exposure to unpredictable scenarios whose magnitude of impact and frequency of occurrence cannot be precisely estimated, particularly given the rapid shift in technologies and consumer demand that the automotive sector is exposed to. This timeframe is aligned with the time horizon of Pure Risks management (handling physical acute and chronic risks such as increased severity of extreme weather events and longer-term shifts in climate patterns) as well as transition risks such as compliance with CO2 regulations. |

## **C2.1b**

### **(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

At Company level, when identifying or assessing any risk events including climate-related ones (i.e., transition risks), the Company also identifies any substantive impacts that could hinder FCA’s ability to achieve its strategic goals, having the potential to generate a substantive change in Group operations, profitability, and Brand reputation. Risks identified to have high or medium-high levels of residual risk, based on the potential impact on our organization, the likelihood that the risks occur and the mitigating factors adopted by our Group are considered significant risks.

At asset and business continuity level, when identifying or assessing any risk events including climate-related ones (both acute and/or chronic physical risks), the Company quantifies the potential finance impact to determine if dedicated investments are justified to put in place risk mitigation countermeasures. Materiality for prioritization is measured as loss expectancy (direct and indirect).

## **C2.2**

### **(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

### **Value chain stage(s) covered**

Direct operations

Upstream

Downstream

### **Risk management process**

Integrated into multi-disciplinary company-wide risk management process

### **Frequency of assessment**

More than once a year

### **Time horizon(s) covered**

Short-term

Medium-term

Long-term

### **Description of process**

We take an integrated approach to risk management, where RISKS and OPPORTUNITIES assessment are at the core of the leadership team agenda. Our success depends on our ability to identify and capitalize on the opportunities generated by our business and the markets in which we compete. By managing the associated risks, we strive to achieve a balance between our goals of growth and return and the related risks. The overall risk management process involves identifying risks - including those posed by climate change - pre-emptively reducing likelihood of occurrence, developing plans for responding to risks, and securing insurance to cover potential losses. The three primary elements of the globally integrated FCA approach are: a) the Enterprise Risk Management (ERM) process, which increases visibility to key risks that could hinder FCA’s ability to achieve our strategic goals; b) the Business Continuity Management (BCM) process, which establishes and validates a structured approach to restoring normal business operations after major disruptions; c) the Loss Prevention (LP) process, which identifies conditions that could result in property and business interruption losses; assigns probability and estimates the impact; implements optimized prevention, protection, and risk transfer countermeasures; and monitors the process for effectiveness. TIME HORIZON (see C2.1a) for risks considered impacting our business goes from 0/5 years (short/medium-term) to max. 10 years (long-term) and spans all the stages of the value chain applicable to our business (Direct operations, Upstream, Downstream, see C2.2.a). a) The ERM model is based on the COSO Framework and was adapted to the unique needs of the Group. An enterprise risk assessment is performed annually, based on a bottom-up approach beginning with functional areas, and concludes with the review by the responsible Chief Operating Officers. The central ERM team consolidates results into a Group report for review and validation with the GRMC and the GEC. Once validated, results are submitted to the Audit Committee, assisting the Board of Directors in their responsibility for strategic oversight of risk management activities. The assessment and prioritization process of risks/opportunities, including those posed by climate change, starts with classification of likelihood of the risk occurrence, potential impact on profitability, business continuity and reputation, and mitigation actions in place. These elements determine the residual risk rating defining the risk significance and prioritization for the Company. Risks we identify as having high- or medium-high rating are considered significant. The top significant risks are deemed “key global focus risks”. Each key global focus risk has been classified by risk categories (Strategic, Operational, Financial and Compliance) and control measures and mitigating actions are subsequently defined. When identifying or assessing any risk events including climate-related ones, the Company also identifies any substantive impacts that could hinder FCA’s ability to achieve its strategic goals as well as having the potential to generate a substantive change in Group operations, profitability, and Brand reputation. b) Natural hazards can threaten the Group’s physical assets and business continuity. Industrial losses from natural disasters such as flooding, tornadoes or severe storms, are on the rise and climate change will further alter the magnitude and frequency of these incidents. c) Our BCM is a structured and disciplined approach to reducing the likelihood and severity of disruptions, and reducing recovery time in the event of a disruption. Results and priorities of the BCM process are reviewed regularly by management. d) In addition, the Fiat Chrysler Risk Management (RM) center of competence which leads the development of loss expectancy scenarios as well as recovery and/or mitigation options, evaluates, weighs and compares various risks using dedicated methodologies and tools, assigning the appropriate priority; and studying in depth the relations between the variable likely to result in losses and their potential impact. Prioritization of each risk is identified through two drivers: vulnerability and impact, and by using scientific tools to define the most efficient treatment strategy. When identifying or assessing any risk events including climate-related ones, the Company quantifies the potential finance impact to determine if dedicated investments are justified to put in place risk mitigation countermeasures. Materiality for prioritization is measured as loss expectancy (direct and indirect). TRANSITION RISK CASE-In view of the transition to a lower-carbon and energy-efficient economic system, among key global risks, the risk "Technology Development and Product Launch" has been identified in 2019. Our future performance depends on our ability to develop and launch products with new technologies (e.g., electrification) to meet regulatory requirements and customer expectations. To mitigate transitions risks and leverage on OPPORTUNITIES, collaborative efforts with strategic partnerships allow leveraging of capabilities and resources to achieve synergies and economies of scale needed to advance technology applications. We also recognize the carbon impact contribution of each of our existing, planned and proposed vehicle programs. By using proprietary assumptions, in addition to quantifying the direct carbon impact we calculate the resulting financial impact of each of these vehicle programs. These are reviewed at monthly GEC and Group Product Committee meetings. This total corporate carbon evaluation is included in the vehicle-level decision making process. PHYSICAL RISK CASE-Following the flood event that occurred in a major FCA plant in 2003, a re-engineering project was launched to review the existing flood risk analysis processes. An effective and objective flood risk assessment requires updated risk maps obtained using advanced modeling tools. Mapping tools based on geomorphological satellite imagery and mathematical modeling enabled the first macro analysis of the risk portfolio followed by a risk analysis based on visual and instrumental interpretation techniques along with field checks (as part of the risk assessment process). This methodology for industrial flood risk assessment has been applied globally to all RM in scope perimeter (156 sites worldwide). For 87 sites a specific flood risk assessment study was done. In 2019, FCA investments in targeted loss prevention and physical risk mitigation measures led to a reduction in overall loss expectancies of approximately €2.4 billion during the year. As OPPORTUNITY, an overall Global Efficiency Index (GEI) of 0.95 was achieved, representing a reduction of €100 of Loss Expectancy for every €0.95 invested. The GEI for loss mitigation is recognized as a measure of effectiveness for industrial risk management.

## **C2.2a**

### **(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

|  |  |  |
| --- | --- | --- |
|  | **Relevance & inclusion** | **Please explain** |
| Current regulation | Relevant, always included | RELEVANCE AND INCLUSION EXPLANATION – We face a variety of risks in our business. Included in the overall FCA Risk Assessment as described in C2.2 are among others risks of current regulatory restrictions related to climate change (e.g., GHG and CAFE mandates, fuel economy regulations, emissions levels for CO2 and other greenhouse gases) in domestic and international jurisdictions of operation. Current laws, regulations and governmental policies’ relevance regarding increased fuel economy requirements and reduced greenhouse gas emissions, have a significant effect on how we do business. Additional costs/investment as well as significant management resources, vehicle engineering and design attention could be required to maintain compliance with current regulatory restrictions related to climate change. EXAMPLE OF A SPECIFIC RISK – More specifically, we pursue compliance with fuel economy and greenhouse gas regulations in the markets where we operate through the most cost effective combination of developing, manufacturing and selling vehicles with better fuel economy and lower emissions, purchasing compliance credits and paying regulatory penalties. The cost of each of these components of our strategy has increased and is expected to continue to increase in the future. As the costs of each of these components, particularly the relative costs of each component, changes, we intend to adjust our strategies in an effort to maintain the most cost effective means of complying with the regulations. For instance, during 2019 FCA entered into multi-year non-cancellable agreements for purchases of regulatory emissions credits in various jurisdictions. These agreements represented total commitments of €1.2 billion after fulfilment of commitments during the year and the reduction in the commitments due to the CAFE civil fine rate. The purchased credits are expected to be used for compliance years through 2022. |
| Emerging regulation | Relevant, always included | RELEVANCE AND INCLUSION EXPLANATION – We face a variety of risks in our business. Included in the overall FCA Risk Assessment as described in C2.2 are among others risks of emerging regulatory restrictions related to climate change (e.g., GHG and CAFE mandates, fuel economy regulations, emissions levels for CO2 and other greenhouse gases) in domestic and international jurisdictions of operation. Emerging laws, regulations and governmental policies’ relevance regarding increased fuel economy requirements and reduced greenhouse gas emissions, have a significant effect on how we do business. Additional costs/investment as well as significant management resources, vehicle engineering and design attention could be required to maintain compliance with emerging regulatory restrictions related to climate change. EXAMPLE OF A SPECIFIC RISK – The FCA 2018-2022 business plan presents our expectation to continue reducing CO2 emissions through a collection of technologies that will vary by market, aligning with the vehicle mix, consumer needs and the regulatory framework. The plan anticipates that we will offer electrified propulsion systems (battery electric, plug-in hybrid electric, full-hybrid and mild-hybrid) in global architectures spanning the full range of vehicle segments. The plan also anticipates that by 2022, more than 30 nameplates will feature one or more of these systems. |
| Technology | Relevant, always included | RELEVANCE AND INCLUSION EXPLANATION – The global automotive industry is experiencing significant change as a result of evolving regulatory requirements for fuel efficiency, greenhouse gas emissions and other tailpipe emissions and emerging technology changes, such as electrification and autonomous driving. Our future performance depends on our ability to offer innovative, attractive products. Included in the overall FCA Risk Assessment as described in C2.2 are among others risks associated with technological improvements or innovations. The failure to develop and offer innovative, attractive and relevant products on a timely basis could have a material adverse effect on our business, financial condition and results of operations. Thus, risks associated with technological improvements or innovations are relevant as delays in the development of new technology for electrification as well as in the progress of new technology compared to competitors may result in the inability to create and sell profitable products that meet regulatory requirements and customer expectations. EXAMPLE OF A SPECIFIC RISK – For instance, in view of the transition to a lower-carbon and energy-efficient economic system, collaborative efforts with strategic partnerships allow leveraging of capabilities and resources to achieve synergies and economies of scale needed to advance autonomous driving technologies. For instance, FCA is pursuing a multi-partner strategy for developing advanced driver assistance and autonomous driving technologies, working with leaders in their respective industries. FCA continues to collaborate with Waymo (formerly the Google self-driving car project) to integrate its self-driving technology into the Chrysler Pacifica Hybrid. Additionally, we are partnering with BMW for Level 3 autonomy and Aptiv for Level 2+ automated driving system for our next generation vehicles planned to launch in 2021. |
| Legal | Relevant, always included | RELEVANCE AND INCLUSION EXPLANATION– Legal risks are among the operational risks we look to mitigate and are included in the overall FCA Risk Assessment as described in C2.2. Risks related to legal actions are relevant because it is also possible that these matters and their ultimate resolution may adversely affect our reputation with consumers, which may negatively impact demand for our vehicles and consequently could have a material adverse effect on our business, financial condition and results of operations. EXAMPLE OF A SPECIFIC RISK– For instance, on January 10, 2019, we announced that FCA US reached final settlements on civil, environmental and consumer claims with the U.S. Environmental Protection Agency (EPA), U.S. Department of Justice, the California Air Resources Board, the State of California, 49 other States and U.S. Customs and Border Protection, for which we have accrued €748 million during the year ended December 31, 2018. Approximately €350 million of the accrual was related to civil penalties to resolve differences over diesel emissions requirements. A portion of the accrual was attributable to settlement of a putative class action on behalf of consumers in connection with which FCA US agreed to pay an average of $2,800 per vehicle to each eligible customer affected by the recall. We remain subject to diesel emissions-related investigations by the U.S. Securities and Exchange Commission and the U.S. Department of Justice, Criminal Division. In addition, we remain subject to a number of related private lawsuits and the potential for additional claims. The results of the unresolved governmental inquiries and private litigation cannot be predicted at this time and these inquiries and litigation may lead to further enforcement actions, penalties or damage awards, any of which may have a material adverse effect on our business, financial condition and results of operations. It is also possible that these matters and their ultimate resolution may adversely affect our reputation with consumers, which may negatively impact demand for our vehicles and consequently could have a material adverse effect on our business, financial condition and results of operations. |
| Market | Relevant, always included | RELEVANCE AND INCLUSION EXPLANATION – We are devoting resources to research and develop an approach to address changing consumer expectations driven by growing demand for safety, convenience, mobility-as-a-service, connectivity and quality time. Our future performance depends on our ability to offer innovative, attractive products. Risks related to change in customer expectations/needs and resulting demand is thus included in the overall FCA Risk Assessment as described in C2.2. The failure to develop and offer innovative, attractive and relevant products on a timely basis that compare favourably to those of our principal competitors could have a material adverse effect on our business, financial condition and results of operations. EXAMPLE OF A SPECIFIC RISK – For instance, a significant technological shift that we are likely to see in the near future is related to low emission vehicles through electrification, which we also addressed in our business plan. Risks associated with this change in customer expectations/needs and resulting demand driven by regulatory requirements, are relevant as delays in the development of new technology for electrification as well as in the progress of new technology compared to competitors may result in the inability to create and sell profitable products that meet regulatory requirements. Our expectation is to continue reducing CO2 emissions through a collection of technologies that will vary by market, aligning with the vehicle mix, consumer needs and the regulatory framework. According to the plan announced on June 1, 2018, we will offer electrified propulsion systems (battery electric, plug-in hybrid electric, full-hybrid and mild-hybrid) in global architectures spanning the full range of vehicle segments. The plan also anticipates that by 2022, more than 30 nameplates will feature one or more of these systems. As part of our commitment to offer new services that improve the mobility experience and provide greater access to affordable solutions, FCA has set a 2020 target to pursue research, advance development and delivery of new sustainable connectivity and mobility solutions that are economically viable for both FCA and our customers. |
| Reputation | Relevant, always included | RELEVANCE AND INCLUSION EXPLANATION – Among the operational risks we look to mitigate, those relating to external events include reputational risks and are integrated in the overall FCA Risk Assessment as described in C2.2. Their relevance is explained below. Our business operations and reputation may be impacted by various types of events/stakeholders actions (including claims, lawsuits, and other contingencies), relating, among others, to emissions and fuel economy which are associated with climate change. The ultimate outcome of the legal proceedings pending against us is uncertain, and such proceedings could have a material adverse effect on our financial condition or results of operations. Further, also publicity regarding such investigations and lawsuits, whether or not they have merit, may adversely affect our reputation and the perception of our vehicles with retail customers, which may adversely affect demand for our vehicles, and have, in turn, a material adverse effect on our business, financial condition and results of operations. EXAMPLE OF A SPECIFIC RISK – For example, we remain subject to diesel emissions-related investigations by the U.S. Securities and Exchange Commission and the U.S. Department of Justice, Criminal Division. In addition, we also remain subject to a number of related private lawsuits. We have also received inquiries from other regulatory authorities in a number of jurisdictions as they examine the on-road tailpipe emissions of several automakers’ vehicles and, when jurisdictionally appropriate, we continue to cooperate with these governmental agencies and authorities. The results of the unresolved governmental inquiries and private litigation cannot be predicted at this time and these inquiries and litigation may lead to further enforcement actions, penalties or damage awards, any of which may have a material adverse effect on our business, financial condition and results of operations. It is also possible that these matters and their ultimate resolution may adversely affect our reputation with consumers, which may negatively impact demand for our vehicles and consequently could have a material adverse effect on our business, financial condition and results of operations. |
| Acute physical | Relevant, always included | RELEVANCE AND INCLUSION EXPLANATION – Included in the overall FCA Risk Assessment as described in C2.2 among the industrial risks we face, the ones that are becoming more and more important and relevant are the low frequency/high severity natural hazards events. Industrial losses from natural hazards can be caused by flooding, tornadoes and severe storms. Climate change has the potential to further influence the magnitude and frequency of hydro-geological and meteorological disasters and may introduce new hazards in areas unfamiliar with them. EXAMPLE OF A SPECIFIC RISK – Natural hazards can threaten the Group’s physical assets and business continuity. The ability to assess losses and costs associated with natural hazards is essential for better hazard mitigation. This proactive approach will continue to reduce the detection time of newly developing or changing risks, and to promptly adapt the FCA loss prevention and mitigation practices and procedures. Acute physical risks are covered by FCA insurances and are part of the annual reassessment with the insurance companies. Flood events are among the most relevant natural hazards that could affect FCA sites. During 2019, FCA Risk Management monitored 156 FCA sites in 14 countries; of these sites 17 are potentially exposed to a low flood risk while 9 are potentially exposed to a higher flood risk across the regions. An effective and objective flood risk assessment requires updated risk maps obtained using advanced modeling tools. To confirm the effectiveness of FCA methodologies, Fiat Chrysler Risk Management has formed a working team consisting of specialists from the loss prevention engineering departments of four recognized insurance and reinsurance global leaders. Enabled by their natural hazard research centers, the reinsurance companies provide mapping tools based on geo-morphological satellite imagery and mathematical modeling for the first macro analysis of the risk portfolio. The engineering departments of the insurance companies provide their risk analysis based on visual and instrumental interpretation techniques along with field checks. This methodology for industrial flood risk assessment was applied globally to all Risk Management in scope perimeter (156 sites worldwide). For 87 sites a specific flood risk assessment study was done. The initiative is considered complete and the risk assessment will be updated during each subsequent survey. |
| Chronic physical | Relevant, always included | RELEVANCE AND INCLUSION EXPLANATION – Included in the overall FCA Risk Assessment as described in C2.2 , we also face chronic physical risk types, which may impact operations of the Group and its suppliers with an indirect effect on business activity. A broad scientific consensus has concluded that the burning of fossil fuels is a primary driver of global warming, with the potential for significant environmental, economic and social consequences. Evident manifestations may include changes in precipitation patterns and extreme variability in weather patterns. Given the above mentioned relevance of chronic physical risk types, to bolster the Group resilience to chronic physical risks, FCA Risk Management launched several forward-looking and innovative risk engineering approaches and solutions to better understand the impacts of natural hazards and to appropriately respond. EXAMPLE OF A SPECIFIC RISK – For instance, FCA strives to implement strategies that manage both every day and exceptional risks along the supply chain. The process begins with a simplified, semi-quantitative approach used to prioritize suppliers, which helps focus on those crucial suppliers with the greatest potential impact or loss likelihood to FCA supply chains. A second step entails a methodology and supporting tool that allows FCA to assign a risk management maturity index to the supplier risk management processes. The final step is to work with specialized third-party risk engineering advisors to conduct focused loss prevention audits of targeted suppliers to identify and quantify risks that could impact the supply of components to FCA and develop adequate action plans to mitigate those risks. The methodology and reporting tools enable focused loss prevention supplier audits to be conducted and required information to be collected to: - quantify the potential exposure to FCA - define the fire and natural hazard loss scenarios and quantify the production downtime - estimate the time to restart and time to resource - identify potential equipment bottlenecks, critical equipment and vital Tier 2 or 3 suppliers. This methodology was applied to 58 suppliers identified as critical by the Purchasing team. The globalization of the project, involving suppliers from other regions, was approved in the second half of 2019. The implementation is in progress. |

## **C2.3**

### **(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## **C2.3a**

### **(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

### **Identifier**

Risk 1

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type & Primary climate-related risk driver**

|  |  |
| --- | --- |
| Current regulation | Mandates on and regulation of existing products and services |

### **Primary potential financial impact**

Increased direct costs

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

Laws, regulations and governmental policies, including those regarding increased fuel efficiency requirements and reduced greenhouse gas and tailpipe emissions, have a significant effect on how we do business. As we seek to comply with government regulations, particularly those related to fuel efficiency, vehicle safety and greenhouse gas and tailpipe emissions standards, we must devote significant financial and management resources, as well as vehicle engineering and design attention, to these legal requirements. We expect the number and scope of these regulatory requirements, along with the costs associated with compliance, to increase significantly in the future, and these costs could be difficult to pass through to consumers. In the EMEA region, each automobile manufacturer must meet a specific sales-weighted fleet average target for CO2 emissions as related to vehicle weight. This legislation sets an industry fleet average target of 95 grams of CO2 per kilometer starting in 2020 for passenger cars (130g/km until 2019). Optimizing powertrain efficiency is part of FCA’s commitment to reduce vehicle CO2 emissions and improve fuel economy. This means not only developing more efficient engines and transmissions, but also optimizing the vehicle/powertrain systems. Selection of the most suitable powertrain is based on vehicle type and use. FCA has developed a suite of electrification technologies, including: 12-volt engine stop/start, 48-volt mild hybrid, high voltage plug-in hybrid, and full battery electric vehicles, all of which offer improvements in fuel economy and a reduction in CO2 emissions. In April 2019, the Regulation (EU) 2019/631 which sets new CO2 emissions targets starting from 2025 and 2030 was adopted and requires a 15% reduction from 2021 levels in 2025 (both passenger cars and light commercial vehicles (LCV)), a 37.5% reduction for passenger cars and 31% reduction for LCV in 2030 from 2021 levels. A new regulatory test procedure for measuring CO2 emissions and fuel consumption of light duty vehicles, the World harmonized Light vehicles Test Procedure (WLTP), entered into force in September 2018 for all registered passenger cars and in September 2019 for all registered LCVs. The WLTP is expected to provide CO2 emissions and fuel consumption values that are more representative of real driving conditions and is not currently expected to have a material adverse impact on our compliance strategy.

### **Time horizon**

Medium-term

### **Likelihood**

Unlikely

### **Magnitude of impact**

Medium

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

110390000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

Estimated theoretical cost (€110 million) per gram of non-compliance, using the cost of the first gram of exceedance onwards (€95), using a scenario considering the current European fleet. The actual fine would be based on the number of vehicles sold, fleet composition and CO2 grams per km, and cannot be stated with certainty at the time of this questionnaire submission.

### **Cost of response to risk**

1800000000

### **Description of response and explanation of cost calculation**

The EU regulatory framework requires each automobile manufacturer to meet a specific sales-weighted fleet average target for CO2 emissions as related to vehicle weight. FCA is addressing this challenge by improving conventional engines, offering vehicles with alternative fuels and developing alternative propulsion systems such as electric and hybrid technologies. FCA expects to invest more than €9 billion in electrification for the 2018-2022 business plan. The amount presented in the cell "Cost of response to risk" represents 1/5 of the total amount, calculated by dividing €9 billion for the 5-year timeframe of the Business Plan. By 2022, FCA expects to implement several EV systems such as mHEV, HEV, PHEV and BEV across global vehicle architectures. In total, FCA intends to offer over 30 nameplates that are expected to utilize one or more of the EV systems by 2022. In November 2018, the Group presented the industrial plan for Italy, which includes the development of new powertrain solutions with a significant focus on hybrid and electric technologies and the launch of all-new or restyled models during the 2019-2021 period. In addition, under Article 6 of Regulation (EU) 2019/631, Manufacturers may also form a pool to meet their obligations. The use of a pooling agreement gives Manufacturers a certain degree of flexibility. For instance, in 2019, FCA entered into a pooling agreement with Tesla, an electric vehicle Manufacturer.

### **Comment**

FCA's business plan (2018-2022) includes an expectation to invest €9 billion in electrification over the five years of the business plan. The amount presented in the cell "Cost of management" represents the theoretical annual average global investment calculated by dividing €9 billion at the Group/global level over the 5-year timeframe of the Business Plan.

### **Identifier**

Risk 2

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type & Primary climate-related risk driver**

|  |  |
| --- | --- |
| Current regulation | Mandates on and regulation of existing products and services |

### **Primary potential financial impact**

Increased direct costs

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

As we seek to comply with government regulations, particularly those related to fuel efficiency and GHG and tailpipe emissions standards, we must devote significant financial and management resources, as well as vehicle engineering and design attention, to these legal requirements. We expect the number and scope of these regulatory requirements, along with the costs associated with compliance, to increase significantly in the future, and these costs could be difficult to pass through to consumers. In the US, fuel economy and GHG emissions are monitored by, and disclosed to, several regulatory agencies, including the National Highway Traffic Safety Administration (NHTSA), EPA, and California Air Resources Board. Vehicle fuel efficiency is measured by fuel economy expressed in miles per gallon. EPA and NHTSA have issued two joint final rules governing GHG and fuel economy, respectively, for light-duty vehicles, covering model years 2012 through 2025. This standard is currently undergoing a “mid-term” evaluation and may be modified for the 2021 through 2025 model years. FCA is committed to improving vehicle fuel efficiency and has a target to actively pursue actions in support of the U.S. EPA/NHTSA industry goal and described the plan for achievement of this objective in the 2018-2022 business plan announced in June 2018. This means not only developing more efficient engines and transmissions, but optimizing the vehicle/powertrain systems. Selection of the most suitable powertrain is based on vehicle type and use. FCA has implemented a suite of electrification technologies, including: 12-volt engine stop-start, 48-volt mild hybrid, plug-in hybrid, and full battery electric vehicles, all of which offer improvements in fuel economy and a reduction in CO2, and are offered in the U.S. market. "Magnitude of impact" reported below does not consider the fact that the regulations are currently under review. In early 2020, NHTSA and the EPA released their final rule for fuel economy and greenhouse gas regulations for model year 2021-2026 light duty vehicles. The rule has an anticipated effective date in mid-June. The rule more readily aligns with current market realities and will provide much needed regulatory relief for FCA. Legal challenges are expected to be filed by several non-government organizations once the rule is finalized.

### **Time horizon**

Medium-term

### **Likelihood**

Unlikely

### **Magnitude of impact**

Low

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

12122000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

For illustrative purposes, the estimated theoretical cost of non-compliance, using a scenario in which around 2.204 million U.S. vehicles (estimated based on 2019 U.S. vehicle sales) are 1/10th of a mile per gallon away from CAFE compliance, in a given year. Using a CAFE civil penalty of $5.50 per each 1/10th of a mpg that a manufacturer’s fleet average falls short of its compliance obligations. The actual CAFE civil penalty would be based on the number of vehicles produced, fleet composition and mpg, and cannot be stated with certainty at the time of this questionnaire submission. The EPA’s GHG regulation does not have a “fine” penalty structure, compliance must be secured. Additionally, in July 2019, NHTSA released a final rule that does not raise penalties for noncompliance, keeping the pre-existing penalty rate of $5.50 per every 0.1 mpg over the standard. The final rule was effective Sep. 24, 2019.

### **Cost of response to risk**

1800000000

### **Description of response and explanation of cost calculation**

The US regulatory framework requires each automaker to meet an average fleet-wide fuel economy performance of 54.5 mpg by 2025 (verify). FCA is addressing this challenge by improving its conventional engines, offering vehicles with alternative fuels and developing alternative propulsion systems such as electric and hybrid technologies. In 2018, FCA launched 3 applications of mild hybrids using belt starter generator technology, which offer improvements in fuel economy and a reduction in CO2 emissions. This new 48-volt mild hybrid technology is marketed as “eTorque” in the 2018 Jeep Wrangler and 2019 Ram 1500 3.6 and 5.7-liter. As declared on Capital Markets Day (June 2018) FCA expects to invest more than €9 billion in electrification for the 2018-2022 business plan. The amount presented in the cell "Cost of management" represents 1/5 of the total amount, calculated by dividing €9 billion for the 5-year timeframe of the Business Plan. By 2022, according to the business plan announced in June 2018, FCA expects to implement several EV systems such as mHEV, HEV, PHEV and BEV across global vehicle architectures. The vehicle segments involved in the electrification strategy are small, compact/mid and large. In total, FCA intends to offer over 30 nameplates that are expected to utilize one or more of the EV systems by 2022. FCA also announced in early 2019, plans to expand production capacity in Michigan,US to grow core brands and electrify selected Jeep vehicles.

### **Comment**

During the Capital Markets Day, FCA presented its plan that includes an expectation to invest €9 billion in the next five years in Electrification. The amount presented in the cell "Cost of management" represents the theoretical annual average global investment calculated by dividing €9 billion at the Group/global level over the 5-year timeframe of the business plan

### **Identifier**

Risk 3

### **Where in the value chain does the risk driver occur?**

Direct operations

### **Risk type & Primary climate-related risk driver**

|  |  |
| --- | --- |
| Current regulation | Mandates on and regulation of existing products and services |

### **Primary potential financial impact**

Increased direct costs

### **Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

### **Company-specific description**

Laws, regulations and governmental policies, including those regarding increased fuel efficiency requirements and reduced greenhouse gas and tailpipe emissions, have a significant effect on how we do business. As we seek to comply with government regulations, particularly those related to fuel efficiency, vehicle safety, greenhouse gas and tailpipe emissions standards, we must devote significant financial and management resources, as well as vehicle engineering and design attention, to these legal requirements. We expect the number and scope of these regulatory requirements, along with the costs associated with compliance, to increase significantly in the future, and these costs could be difficult to pass through to consumers. For example, in Brazil ROTA 2030 is the new regulatory framework for the period 2022-2030 that defines energy efficiency targets from 2022. With Brazil being the main market in LATAM region for vehicle manufacturers and being FCA among the market leaders, this could impact our business in that region.

### **Time horizon**

Medium-term

### **Likelihood**

Unlikely

### **Magnitude of impact**

Low

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

23000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

The estimated theoretical cost of non-compliance in 5 years using 2018 Inovar Autoregulatory scheme (Defined in decree: 9.557.18 dated 08/November/2018). Using this scheme to estimate the theoretical cost of non-compliance, and considering all (FCA?) vehicles sold from January 2013 until September 2020, the fine is R$50.00 for the first 0.73 gCO2/km out of compliance with the target.

### **Cost of response to risk**

1350000000

### **Description of response and explanation of cost calculation**

FCA is addressing this challenge by improving our conventional engines, offering vehicles with alternative fuels and developing alternative propulsion systems such as electric and hybrid technologies. In Brazil, the technology implementation rate of high voltage electrification systems is not applied as a result of the high usage of Flexfuel technology and the high percentage of renewable sugar cane ethanol. In Brazil, the major market in the LATAM region, more than 374,000 Flexfuel vehicles were registered in 2019, accounting for approximately 86% of vehicles licensed by the Group in this market. As declared on Capital Markets Day (June 2018), FCA expects to invest €6.75 billion in powertrain technologies over the 5-year timeframe of the Business Plan. The amount presented in the cell "Cost of management" represents 1/5 of the total amount, calculated by dividing 6.75 billion for the 5-year timeframe of the Business Plan.

### **Comment**

During the Capital Markets Day, FCA presented its plan that includes an expectation to invest €6,75 billion in the next five years in powertrain development. The amount presented in the cell "Cost of management" represents the theoretical annual average global investment calculated by dividing more than €6 billion at the Group/global level over the 5-year timeframe of the Business Plan.

## **C2.4**

### **(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

## **C2.4a**

### **(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

### **Identifier**

Opp1

### **Where in the value chain does the opportunity occur?**

Direct operations

### **Opportunity type**

Resource efficiency

### **Primary climate-related opportunity driver**

Use of more efficient production and distribution processes

### **Primary potential financial impact**

Reduced indirect (operating) costs

### **Company-specific description**

Changes in regulatory framework could represent opportunities for FCA since the Group is managing them in an effective and timely manner. Fuel and energy related taxes and regulation could affect the operational costs of all automakers and thus increase total manufacturing cost. Competitive opportunities may arise for FCA if the Group is able to offset this increase in cost through a decrease in its energy consumption higher than that of its competitors, for instance through FCA’s World Class Manufacturing (WCM) program, a structured production system that promotes sustainable, systematic improvements aimed to evaluate and address all types of wastes and losses at our manufacturing operations by applying methods and standards with rigor. WCM has been adopted by FCA since 2006.

### **Time horizon**

Short-term

### **Likelihood**

Likely

### **Magnitude of impact**

Medium-low

### **Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

### **Potential financial impact figure (currency)**

52000000

### **Potential financial impact figure – minimum (currency)**

<Not Applicable>

### **Potential financial impact figure – maximum (currency)**

<Not Applicable>

### **Explanation of financial impact figure**

Any reduction in energy consumption contributes to the reduction of operating costs. The World Class Manufacturing (WCM) program, implemented at 96 Group plants worldwide. Since 2010, this led to savings of 17% of energy per vehicle produced. In 2019, energy related projects saved around €52 million, in addition to avoiding approximately 260,000 tons of CO2 emissions. Energy related costs are less than 5% of total Group operational costs.

### **Cost to realize opportunity**

15200000

### **Strategy to realize opportunity and explanation of cost calculation**

Over the past several years, the Group has already implemented energy saving projects according to the methodologies developed by World Class Manufacturing (WCM). The objective of the WCM program implemented by FCA worldwide is to eliminate all forms of waste throughout the production process. WCM implementation in FCA’s plants covers 99% of total Group manufacturing cost base with 65 plants already recognized as WCM Gold, Silver or Bronze level. Important results in energy savings and CO2 reduction have already been achieved, due to the many initiatives implemented and the know-how gained in managing the production processes. In 2019, mass-market assembly and stamping plants worldwide registered a 27% decrease (vs the 2010 baseline) in CO2 emissions per vehicle produced, and a decrease of 17% in energy consumption per vehicle produced thus contributing to enhance during the year the likelihood and magnitude of financial opportunity linked to energy savings. One example could be the transmission plant in Verrone (Italy), which achieved WCM Gold level. As a result of the level of skill and involvement of personnel, it has reduced manufacturing costs. In 2019 capital costs directly linked to the implementation of energy efficiency initiatives at existing plants totalled over €15 million.

### **Comment**

### **Identifier**

Opp2

### **Where in the value chain does the opportunity occur?**

Downstream

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

### **Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

### **Company-specific description**

Low emission technologies are constantly being encouraged through regulations that impose new standards or support sales through potential fiscal incentives. Climate change is generating new market opportunities, based on growing environmental consciousness among consumers. Public and private companies are also paying greater attention to fuel efficiency and emissions of the vehicles they purchase and are including environmental requirements in fleet tenders. The ability to take advantage of these opportunities is relevant for the future of the North American automotive market. FCA is already responding to this opportunity with a growing offering of low-emission products. FCA expects to invest more than €9 billion in electrification for the 2018-2022 business plan. By 2022, FCA expects to implement several EV systems, such as mHEV, HEV, PHEV and BEV, across global vehicle architectures. The vehicle segments involved in the electrification strategy are small, compact/mid, and large.

### **Time horizon**

Medium-term

### **Likelihood**

Very likely

### **Magnitude of impact**

Medium-high

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

### **Potential financial impact figure (currency)**

<Not Applicable>

### **Potential financial impact figure – minimum (currency)**

730000000

### **Potential financial impact figure – maximum (currency)**

750000000

### **Explanation of financial impact figure**

The main financial impact of this opportunity is represented by the increase in sales of more low-carbon vehicles like electric and hybrid vehicles. Using 2019 revenues as an estimate, an increase of 1% in North America sales due to development and/or expansion of low emission goods and services may result in an increase in net revenues between €730 and €750 million, not considering potential production capacity constraints, segment/model dependency and any other factor or variable that may influence this range.

### **Cost to realize opportunity**

1800000000

### **Strategy to realize opportunity and explanation of cost calculation**

FCA has a commitment to minimize the environmental impacts from our products by reducing CO2 emissions and improving fuel economy. This includes a target/focus on developing electric/hybrid technologies, focusing on solutions that are economically viable, competitive in the marketplace, and beneficial to society. FCA addresses this commitment by: • Developing electrification technologies, like the Chrysler Pacifica Hybrid (PHEV), and a mild hybrid system (eTorque) using belt starter generator technology which offers improvements in fuel economy and a reduction in CO2 emissions. The eTorque mild hybrid system is available in the Jeep Wrangler and 2019 Ram 1500 • FCA expects to offer one or more EV systems (such as mHEV, HEV, PHEV and BEV) on over 30 nameplates by 2022, according to the business plan • In addition, FCA announced in early 2019, plans to expand production capacity in Michigan, (U.S.) to grow core brands and electrify selected Jeep vehicles. FCA expects to invest €9 billion in electrification over the five-year time frame of the business plan. The €1.8 billion represents the theoretical annual average global investment over the five-year time frame of the Business Plan.

### **Comment**

### **Identifier**

Opp3

### **Where in the value chain does the opportunity occur?**

Downstream

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

### **Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

### **Company-specific description**

Low emission technologies are constantly being encouraged through regulations that impose new standards or support sales through potential fiscal incentives. Climate change is generating new market opportunities, based on growing environmental consciousness among consumers. Public and private companies are also paying greater attention to fuel efficiency and emissions of the vehicles they purchase and are including environmental requirements in fleet tenders. The ability to take advantage of these opportunities is relevant for the future of the European automotive market. FCA is ready to respond to this opportunity with a wide range of low-emission products. As declared on Capital Markets Day (June 2018), FCA expects to invest more than €9 billion in electrification for the 2018-2022 business plan. By 2022, FCA expects to implement several EV systems, such as mHEV, HEV, PHEV and BEV, across global vehicle architectures. The vehicle segments involved in the electrification strategy are small, compact/mid, and large.

### **Time horizon**

Medium-term

### **Likelihood**

Very likely

### **Magnitude of impact**

Medium-high

### **Are you able to provide a potential financial impact figure?**

Yes, an estimated range

### **Potential financial impact figure (currency)**

<Not Applicable>

### **Potential financial impact figure – minimum (currency)**

200000000

### **Potential financial impact figure – maximum (currency)**

250000000

### **Explanation of financial impact figure**

The main financial implication of this opportunity is represented by the increase in sales of more ecological, flexible and efficient vehicles, for example: electric and hybrid vehicles. Based on 2019 revenues, an increase of 1% in EMEA region sales due to development and/or expansion of low emission goods and services may result in an increase in net revenues between €200 and €250 million, not considering potential production capacity constraints, segment/model dependency and any other factor and variable that may influence this range.

### **Cost to realize opportunity**

1800000000

### **Strategy to realize opportunity and explanation of cost calculation**

FCA’s approach to providing mobility solutions strives to minimize the impact the environment. Included in FCA’s electrification roll-out is the Jeep Renegade Plug-in Hybrid Electric Vehicle (PHEV) that has been scheduled for market launch in 2020. The Jeep Renegade PHEV will be produced at the Melfi plant (Italy). Leveraging the already installed vehicle platform and PHEV elements that underpin Jeep Renegade, the European Jeep Compass also will be produced at the Melfi plant. Both vehicles were presented at the 2019 Geneva International Motor Show. Applying the same flexible platform and PHEV technology, activities will also commence to prepare the Pomigliano plant (Italy) to produce an Alfa Romeo Compact Utility Vehicle (CUV). A Fiat Panda Mild Hybrid Vehicle (MHV) will also be launched in Pomigliano. FCA also announced the installation of a full Battery Electric Vehicle (BEV) platform applied on the new Fiat 500, capable of scaling to other applications worldwide. The new Fiat 500 BEV will be manufactured at the FCA Mirafiori plant (Italy). FCA expects to invest €9 billion in electrification over the 5-year time frame of the business plan. The €1.8 billion represents the theoretical annual average global investment over the 5-year time frame of the business plan.

### **Comment**

FCA expects to invest €9 billion in electrification over the 5- year time frame of business plan. The amount presented in the cell "Cost to realize opportunity" represents the theoretical annual average global investment calculated by dividing €9 billion at the Group/global level over the 5-year time frame of the business plan.

## **C3. Business Strategy**

## **C3.1**

### **(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?**

Yes

## **C3.1a**

### **(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative

## **C3.1b**

### **(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.**

|  |  |
| --- | --- |
| **Climate-related scenarios and models applied** | **Details** |
| Other, please specify (Science Based Target initiative) | FCA is using the Transport Sectoral Decarbonization Approach (SDA) and associated tool, to evaluate the development of Science Based Targets. The emissions scenarios embedded in the SDA tool are the 2°C scenario (2DS) and the Beyond 2°C scenario (B2DS). Additionally, these analysis are supporting the development of post 2020, new long term targets, with a time horizon that is still under review. |
| 2DS | FCA is using the Transport Sectoral Decarbonization Approach (SDA) and associated tool, to evaluate the development of Science Based Targets. The emissions scenarios embedded in the SDA tool are the 2°C scenario (2DS) and the Beyond 2°C scenario (B2DS). Additionally, these analysis are supporting the development of post 2020, new long term targets, with a time horizon that is still under review. |
| IEA B2DS | FCA is using the Transport Sectoral Decarbonization Approach (SDA) and associated tool, to evaluate the development of Science Based Targets. The emissions scenarios embedded in the SDA tool are the 2°C scenario (2DS) and the Beyond 2°C scenario (B2DS). Additionally, these analysis are supporting the development of post 2020, new long term targets, with a time horizon that is still under review. |

## **C3.1d**

### **(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.**

|  |  |  |
| --- | --- | --- |
|  | **Have climate-related risks and opportunities influenced your strategy in this area?** | **Description of influence** |
| Products and services | Yes | FCA has several concrete examples that illustrate how climate change influences business strategy. FCA acknowledges the challenges posed by climate change and as a result, has set targets that contribute to the goal of transitioning to a low-carbon future. To reduce the impact of our vehicles, we strive to reduce CO2 emissions and improve fuel economy in response to the unique regulatory requirements of FCA’s major markets. In the European Union, FCA has set a target to achieve a 40% reduction in CO2 emissions by 2020 (95 g CO2/km) compared with the baseline of 2006 for mass-market cars. In the U.S., we have targeted actions in support of the U.S. EPA/NHTSA’s goal of increasing industry year-over-year average fleet wide fuel economy performance. We have set year-over-year fuel economy reduction targets, including the achievement of at least a five to 15% improvement in fuel economy for major renewals of FCA US vehicles compared with replaced vehicles/models. This target has been achieved, and in some cases surpassed, in the years since it was established. FCA’s business plan aligns the Company products with consumer demands and regulatory scenarios based on climate change scenario forecast and reflects our expectation to continue improving vehicle fuel efficiency and reducing CO2 emissions. The plan anticipates that we will offer electrified propulsion systems (battery electric, plug-in hybrid electric, full hybrid and mild hybrid) in global architectures spanning the full range of vehicle segments. By 2022, we expect to offer more than 30 nameplates with electrified powertrains. We have already introduced EV technologies on FCA models in several countries, such as: ● the Chrysler Pacifica plug-in hybrid, marketed in 2017 in North America and launched in China in 2018; ● mild-hybrid technology, marketed as ‘eTorque’, launched in the all-new 2018 Jeep Wrangler and all-new 2019 Ram 1500 in North America; ● the all-new 2019 Jeep® Commander plug-in hybrid in China. In 2020, FCA’s electrification rollout saw a rapid development with several models marketed in Europe. In particular, the Fiat 500 BEV, the hybrid version of the Fiat 500 and Panda, as well as the Lancia Ypsilon. Further plans include production in Italy of the Fiat Professional Ducato Electric and of the Jeep Compass and Jeep Renegade plug-in hybrid versions. |
| Supply chain and/or value chain | Yes | Central to FCA’s approach is the belief that effective, lasting solutions to climate change and other pressing environmental and social issues can only be achieved through an integrated approach that combines individual and collective commitment; an effective multi-stakeholder strategy; investment in enabling processes and technologies; and the incorporation of circular economy principles in operations. FCA’s strategy is not limited to electrifying vehicles, but also to creating a new mobility system, ensuring customers can drive an EV in a sustainable way. With this in mind, FCA has signed new partnerships with Enel X and ENGIE – global leaders in the energy sector – to offer private and public e-charging solutions and services across all major markets in Europe. The initiative also includes research and testing of new technologies that will reduce the cost of EVs to vehicle owners. To support the flexibility and safety of the electricity grid, FCA has also signed a Memorandum of Understanding with Terna, a major electricity grid operator. The two companies have agreed to set up an innovative technology lab in Turin (Italy) to test the potential of connecting FCA’s EVs to the electricity grid. The aim of the pilot project is to supply ancillary services to the grid and, potentially, to let FCA customers exchange power from their vehicles to the grid and vice versa, maximizing value from the vehicle batteries when they are not in use. In addition, to promote awareness among suppliers of their impact on climate change, we have a target to monitor 90-100% of top Group suppliers’ CO2 emissions (accounting for about 57% of annual purchases by value) through the CDP Supply Chain program by 2020. 270 suppliers were invited to participate in the CDP Supply Chain program in 2019. Of those invited, 209 suppliers disclosed their results, a 77% response rate, attaining an average score of C on a scale from A to D-. In 2019, disclosing suppliers accounted for approximately 51% of FCA annual purchases by value from direct and indirect material suppliers. |
| Investment in R&D | Yes | FCA has several concrete examples that illustrate how climate change influences our Investment in R&D. Our business plan includes the renewal of key products, the launch of products in segments where we previously had no presence, the implementation of various electrified powertrain applications and partnerships. The plan anticipates that we will offer electrified propulsion systems (battery electric, plug-in hybrid electric, full hybrid and mild hybrid) in global architectures spanning the full range of vehicle segments. We have confirmed plans to make significant investments in vehicle electrification development, to support the growing demand for electrified vehicles. We committed €9 billion toward the five-year electrification plan. By 2022, we expect to offer more than 30 nameplates with electrified powertrains. In 2019, the Group invested approximately €4.2 billion in research and development, representing around 3.9% of net revenues from industrial operations. Approximately 18,000 employees at 46 locations worldwide were involved in the Group’s innovation activities, continuing to generate a significant intellectual property portfolio. FCA has developed a suite of electrification technologies, including: 12-volt engine stop/ start, 48-volt mild hybrid, high voltage plug-in hybrid, and full battery electric vehicles, all of which offer improvements in fuel economy and a reduction in CO2 emissions. These developments have occurred at FCA technical centers primarily in Auburn Hills (U.S.), Modena and Turin (Italy). Substantial work has also been performed with suppliers and universities located around the globe. The 12-volt stop/start system turns off the engine and fuel flow automatically when the vehicle comes to a halt and re-starts the engine upon the driver disengaging the brake. Phase-in of this technology began in 2013 model year and in 2019 it was used in approximately 49% of FCA’s global production volume. During 2019, we launched in China the all-new Jeep Commander plug-in hybrid with a maximum pure electric range of 70 kilometers and a combined fuel consumption as low as 1.6 liters per 100 kilometers. This is the first electrified vehicle in the global Jeep family and it also represents the brand’s entry into China’s rapidly-growing New Energy Vehicle market. |
| Operations | Yes | FCA is conscious of the effect that our activities and products have on society and the environment, and of our role in developing solutions to reduce our environmental footprint. We foster environmental protection in our overall approach to business and have established Environmental Guidelines, publicly available on our website, to promote and instill these values in our products and operations. Global goals for our manufacturing plants includes reducing CO2 emissions per vehicle produced by 32% from 2010 to 2020 (2019 achievement: -27%). In 2017, the assembly plant in Goiana (Brazil) was Latin America’s first auto plant to have neutralized its emissions and to obtain the Carbon Neutral certificate. In addition to the assembly plant in Goiana, the following also obtained certification as Carbon Neutral in Brazil: engine plants in Campo Largo and Betim; component plant in Jaboatão dos Guararapes; and parts distribution centers in Betim and Hortolândia. FCA’s business plan reflects our expectation to continue reducing CO2 emissions. The plan anticipates that we will offer electrified propulsion systems (battery electric, plug-in hybrid electric, full hybrid and mild hybrid) in global architectures spanning the full range of vehicle segments. We have confirmed plans to make significant investments in vehicle electrification development, and manufacturing facilities in North America and Italy, to support the growing demand for electrified vehicles. In February 2019, FCA announced plans to invest a total of $4.5 billion in five of our existing U.S. plants, and to work on building a new assembly plant in the city of Detroit (U.S.). This action is expected to increase capacity for our Jeep and Ram brands, including production of electrified models. FCA also announced the development of a Battery Hub in Turin (Italy) at the Mirafiori plant beginning in 2020. The Battery Hub is expected to be dedicated to battery assembly and also host prototyping and experimentation activities, as well as training courses. The initial investment in place for the Battery Hub will be approximately €50 million. |

## **C3.1e**

### **(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

|  |  |  |
| --- | --- | --- |
|  | **Financial planning elements that have been influenced** | **Description of influence** |
| Row 1 | Revenues  Direct costs  Indirect costs  Capital expenditures  Capital allocation  Acquisitions and divestments  Access to capital  Assets  Liabilities | Climate-related risks and opportunities affect several aspects of FCA’s financial position. Climate-related issues already influenced our financial planning both in the last years as well as looking ahead in the short-, medium- and long-time. CASE STUDIES includes: •Revenues: We have developed a suite of electrification technologies, including: 12 volt engine stop/start, 48 volt mild hybrid, high voltage plug-in hybrid, and full battery electric vehicles. Phase-in of the 12 volt stop/start system technology began in 2013 model year and in 2019 was used in approx. 49% of our global production volume. We have already introduced EV technologies on FCA models in several countries, such as: the Chrysler Pacifica plug-in hybrid; mild-hybrid technology launched in the all-new 2018 Jeep Wrangler and all-new 2019 Ram 1500; the all-new 2019 Jeep Commander plug-in hybrid. In 2020, FCA’s electrification rollout saw a rapid development with several models marketed in Europe. In particular, the Fiat 500 BEV, the hybrid version of the Fiat 500 and Panda, as well as the Lancia Ypsilon. Further plans include production in Italy of the Fiat Professional Ducato Electric and of the Jeep Compass and Jeep Renegade plug-in hybrid versions. By 2022, we expect to offer more than 30 nameplates with electrified powertrains •Direct costs: Fluctuations in Cost of revenues are primarily related to the number of vehicles we produce and sell along with shifts in vehicle mix, as newer models of vehicles generally have more technologically advanced components and enhancements and therefore higher costs per unit. Cost of revenues may also be affected by fluctuations in raw material prices. As we implement various electrified powertrain applications throughout our portfolio, we will also depend on a significant supply of lithium, nickel and cobalt, which are used in lithium-ion batteries. The prices for these raw materials fluctuate, and market conditions can affect our ability to manage our Cost of revenues •Indirect costs: The Group seeks solutions in our manufacturing processes that enable further reductions in our energy consumption. Over time, these solutions have generated significant savings in energy-related costs and in 2019 resulted in energy savings of 3,200 TJ and approx. €52M •Capital expenditures: We have confirmed plans to make significant investments in vehicle electrification development, and manufacturing facilities to support the growing demand for electrified vehicles. In 2019, FCA announced plans to invest a total of $4.5B in five of our existing U.S. plants, and to work on building a new assembly plant in the city of Detroit. This action is expected to increase capacity for our Jeep and Ram brands, including production of electrified models. FCA also announced the development of a Battery Hub in Turin (Italy) beginning in 2020. The Battery Hub is expected to be dedicated to battery assembly and also host prototyping and experimentation activities. The initial investment will be approximately €50M •Capital allocation: We conduct R&D for new vehicles and technology to improve the performance, safety, fuel efficiency, reliability, consumer perception and environmental impact of our vehicles. We have confirmed plans to make significant investments in vehicle electrification development, to support the growing demand for electrified vehicles. We committed €9B toward the five-year electrification plan. In 2019, the Group invested approx. €4.2B in R&D •Acquisitions and divestments: The automotive industry is exceptionally capital intensive and capital expenditures and R&D requirements in our industry have continued to grow significantly in recent years as we pursue technological innovations and respond to a number of challenges. On December 17, 2019, we signed a binding Combination Agreement with Peugeot S.A. providing for a 50/50. The significant value accretion resulting from the transaction is estimated to be approx. €3.7B in annual run-rate synergies derived principally from a more efficient allocation of resources for large-scale investments in vehicle platforms, powertrain and technology and from the enhanced purchasing capability inherent in the combined group’s new scale. It is projected that 80% of the synergies would be achieved after 4 years. Completion of the proposed combination is subject to customary closing conditions, including approval by both companies’ shareholders at their respective Extraordinary General Meetings and the satisfaction of antitrust and other regulatory requirements •Access to capital: In 2018, FCA has signed with the European Investment Bank, a €420M four-year loan to support R&D projects to be implemented during 2018-2020. FCA investment in R&D for the period 2018-2020 has a number of key objectives including electrification technology solutions for hybrid and battery electric vehicles and the development of autonomous driving •Assets: Natural hazards can threaten the Group’s physical assets and business continuity. Climate change will further alter the magnitude and frequency of these incidents, and may introduce new hazards in areas that have not previously experienced them. In 2019, FCA invested €35M in targeted loss prevention and physical risk mitigation measures that led to a reduction in overall loss expectancies of approx. €2.4B during the year •Liabilities: We are involved in various disputes, claims, lawsuits, investigations and other legal proceedings relating to several matters. We estimate such potential claims and contingent liabilities and, where appropriate, record provisions to address these contingent liabilities. The ultimate outcome of the legal proceedings pending against us is uncertain, and such proceedings could have a material adverse effect on our financial condition or results of operations. While we maintain insurance coverage with respect to certain claims, not all claims or potential losses can be covered by insurance, and even if claims could be covered by insurance, we may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims. On January 10, 2019, we announced that FCA US had reached final settlements on civil environmental and consumer claims with the U.S. Environmental Protection Agency, U.S. Department of Justice, the California Air Resources Board, the State of California, 49 other States and U.S. Customs and Border Protection, for which we accrued €748M during the year ended December 31, 2018. Approx. €350 million of the accrual was related to civil penalties to resolve differences over diesel emissions requirements. A portion of the accrual was attributable to settlement of a putative class action on behalf of consumers in connection with which FCA US agreed to pay an average of $2,800 per vehicle to eligible customers affected by the recall. That settlement received final court approval on May 3, 2019. |

## **C3.1f**

### **(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

## **C4. Targets and performance**

## **C4.1**

### **(C4.1) Did you have an emissions target that was active in the reporting year?**

Intensity target

## **C4.1b**

### **(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).**

### **Target reference number**

Int 1

### **Year target was set**

2014

### **Target coverage**

Business division

### **Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

### **Intensity metric**

Metric tons CO2e per vehicle produced

### **Base year**

2010

### **Intensity figure in base year (metric tons CO2e per unit of activity)**

0.61

### **% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

61

### **Target year**

2020

### **Targeted reduction from base year (%)**

32

### **Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]**

0.4148

### **% change anticipated in absolute Scope 1+2 emissions**

-16

### **% change anticipated in absolute Scope 3 emissions**

0

### **Intensity figure in reporting year (metric tons CO2e per unit of activity)**

0.45

### **% of target achieved [auto-calculated]**

81.9672131147541

### **Target status in reporting year**

Underway

### **Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

### **Please explain (including target coverage)**

Target refers to mass-market vehicle assembly and stamping plants, the volume automobile sector of FCA. This represented about 59% of Group 2019 GHG manufacturing emissions. In 2019, most reductions in emissions have been achieved by energy efficiency improvements in production processes. In target year (2020), before the pandemic occurred, absolute emissions were expected to decrease by 16% due to efficiencies and despite the expected volume increase. It is not possible at the moment to forecast volumes for 2020. Additionally, absolute emissions are expected to decrease more than the forecasted -16%. We are reporting progress against the same target reported in our previous CDP as Int 1.

### **Target reference number**

Int 2

### **Year target was set**

2014

### **Target coverage**

Business division

### **Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

### **Intensity metric**

Metric tons CO2e per vehicle produced

### **Base year**

2010

### **Intensity figure in base year (metric tons CO2e per unit of activity)**

0.825

### **% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

83

### **Target year**

2020

### **Targeted reduction from base year (%)**

30

### **Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]**

0.5775

### **% change anticipated in absolute Scope 1+2 emissions**

-15

### **% change anticipated in absolute Scope 3 emissions**

0

### **Intensity figure in reporting year (metric tons CO2e per unit of activity)**

0.62

### **% of target achieved [auto-calculated]**

82.8282828282828

### **Target status in reporting year**

Underway

### **Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

### **Please explain (including target coverage)**

Target refers to mass-market vehicle assembly, stamping, engines and transmission plants. It is the sum of two existing intensity targets, to achieve at least a 70% coverage. This represented about 82% of Group 2019 GHG manufacturing emissions. In 2019, most reductions in emissions have been achieved by energy efficiency improvements in production processes. In target year (2020), before the pandemic occurred, absolute emissions were expected to decrease by 15% due to efficiencies and despite the expected volume increase. It is not possible at the moment to forecast volumes for 2020. Additionally, absolute emissions are expected to decrease more than the forecasted -15%. We are reporting progress against the same target reported in our previous CDP as Int 2.

## **C4.2**

### **(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

No other climate-related targets

## **C4.3**

### **(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

## **C4.3a**

### **(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

|  |  |  |
| --- | --- | --- |
|  | **Number of initiatives** | **Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked \*)** |
| Under investigation | 9 |  |
| To be implemented\* | 48 | 0 |
| Implementation commenced\* | 1547 | 0 |
| Implemented\* | 2592 | 186011 |
| Not to be implemented | 3 |  |

## **C4.3b**

### **(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

### **Initiative category & Initiative type**

|  |  |
| --- | --- |
| Energy efficiency in buildings | Other, please specify (Insulation, maintenance programs, combined heat and power, lighting... ) |

### **Estimated annual CO2e savings (metric tonnes CO2e)**

39400

### **Scope(s)**

Scope 1

Scope 2 (market-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

7800000

### **Investment required (unit currency – as specified in C0.4)**

5400000

### **Payback period**

<1 year

### **Estimated lifetime of the initiative**

11-15 years

### **Comment**

FCA uses for heating purposes mainly fossil fuel with low-carbon content (natural gas), frequently associated with highly efficient cogeneration facilities. Software for monitoring the energy consumption of computers and lights at selected places has been installed. Moreover, installation of heat recovery technologies to improve temperature control while consuming less energy and maintenance programs are implemented. The reported initiatives contribute to achieve the targets set in the Sustainability Plan (up to -40% in Scope 1 and Scope 2 CO2 emissions per unit from 2010 to 2020, depending on the Group company). Please note that this row includes the estimated CO2 savings of several hundred projects and is linked both to direct than indirect energy consumption, therefore relates to Scope 1 and Scope 2 emissions.

### **Initiative category & Initiative type**

|  |  |
| --- | --- |
| Energy efficiency in production processes | Other, please specify (Heat recovery, cooling technology, process optimization, machine/equipment replacement) |

### **Estimated annual CO2e savings (metric tonnes CO2e)**

115800

### **Scope(s)**

Scope 1

Scope 2 (market-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

23100000

### **Investment required (unit currency – as specified in C0.4)**

5400000

### **Payback period**

<1 year

### **Estimated lifetime of the initiative**

6-10 years

### **Comment**

In 2019, FCA continued the implementation of activities aimed at reducing energy consumption and CO2 emissions. Energy efficiency projects focused on improvement of heat recovery, refrigeration, process optimization and machine replacement, including overhauling or refurbishing equipment in favor of more technologically advanced and efficient solutions. The reported initiatives contribute to achieve the targets set in the Sustainability Plan (up to -40% in Scope 1 and Scope 2 CO2 per unit from 2010 to 2020, depending on the Group company) and were developed mainly on a voluntary basis. Please note that this row includes the estimated CO2 savings of several hundred projects and is linked both to direct and indirect energy consumption therefore relates to Scope 1 and Scope 2 emissions.

### **Initiative category & Initiative type**

|  |  |
| --- | --- |
| Company policy or behavioral change | Resource efficiency |

### **Estimated annual CO2e savings (metric tonnes CO2e)**

30700

### **Scope(s)**

Scope 2 (market-based)

### **Voluntary/Mandatory**

Voluntary

### **Annual monetary savings (unit currency – as specified in C0.4)**

6100000

### **Investment required (unit currency – as specified in C0.4)**

100000

### **Payback period**

<1 year

### **Estimated lifetime of the initiative**

1-2 years

### **Comment**

Employee training activities and behavioral initiatives at all organizational levels are a key driver for improving the Group’s environmental performance. Competence, knowledge and motivation are essential attributes to ensure a deeply embedded environmental culture throughout the Company. For this reason, a variety of methods are used to spread environmental know-how, promote awareness, and encourage action planning throughout the Group. Training activities were provided to increase employee understanding of their personal impact on the environment. The reported initiatives contribute to achieve the targets set in the Sustainability Plan (up to -40% in Scope 1 and Scope 2 CO2 emissions per unit from 2010 to 2020. Please note that this row includes the estimated CO2 savings of several hundred projects and is linked mainly (but not only) with indirect energy consumption, therefore relates to Scope 2 emissions.

## **C4.3c**

### **(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

|  |  |
| --- | --- |
| **Method** | **Comment** |
| Lower return on investment (ROI) specification |  |
| Dedicated budget for low-carbon product R&D |  |
| Dedicated budget for energy efficiency |  |
| Compliance with regulatory requirements/standards |  |
| Internal price on carbon |  |
| Internal incentives/recognition programs |  |

## **C4.5**

### **(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

## **C4.5a**

### **(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

### **Level of aggregation**

Group of products

### **Description of product/Group of products**

FCA considers vehicles equipped with electric propulsion systems and those that use compressed natural gas (CNG), to be low-carbon products. This includes: 1) In the U.S. market the Fiat 500e, a battery electric vehicle (BEV); Chrysler Pacifica Hybrid (PHEV); mild hybrid (HEV) vehicles equipped with "eTorque" propulsion technologies and 2) CNG powered vehicles in the EU market. These vehicles, when compared to their conventional internal combustion engine counterparts, have lower CO2 emissions.

### **Are these low-carbon product(s) or do they enable avoided emissions?**

Low-carbon product and avoided emissions

### **Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (U.S. EPA and Energy Efficiency and Renewable Energy / Alternative Fuels Data Center)

### **% revenue from low carbon product(s) in the reporting year**

1

### **% of total portfolio value**

<Not Applicable>

### **Asset classes/ product types**

<Not Applicable>

### **Comment**

The U.S. EPA Fuel Economy data was used to compare each model, with and without electric propulsion systems (www.fueleconomy.gov). For example, the 2019 Chrysler Pacifica vs 2019 Chrysler Pacifica PHEV (4.4 metric tons CO2/yr per vehicle difference), and so forth. The approximate avoided CO2 for these low-carbon vehicles is more than 13,300 metric tons CO2 per year. It was assumed that 2.1% of vehicles sold in the U.S. are models with electric propulsion systems and considered low-carbon products. In addition, nearly 17,000 CNG-powered vehicles were sold in the EU market in 2019. FCA sold 4,600,000 vehicles globally in 2019. Dividing the low-carbon vehicles by the total FCA vehicles sold, the estimated revenues is less than 1%.

## **C5. Emissions methodology**

## **C5.1**

### **(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

### **Scope 1**

### **Base year start**

January 1 2010

### **Base year end**

December 31 2010

### **Base year emissions (metric tons CO2e)**

1075406

### **Comment**

### **Scope 2 (location-based)**

### **Base year start**

### **Base year end**

### **Base year emissions (metric tons CO2e)**

### **Comment**

### **Scope 2 (market-based)**

### **Base year start**

January 1 2010

### **Base year end**

December 31 2010

### **Base year emissions (metric tons CO2e)**

2882265

### **Comment**

## **C5.2**

### **(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

US EPA Emissions & Generation Resource Integrated Database (eGRID)

Other, please specify (FCA reports its emissions based according to the standards and guidance outlined in the GHG Protocol and use emissions factors from different sources depending on the regional needs, as reported below in answer C5.2a)

## **C5.2a**

### **(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

FCA reports direct CO2 emissions based on direct energy consumption with the aid of the IPCC 2006 conversion factors. We report indirect CO2 emissions according to the standards and guidance outlined in the GHG Protocol and use the emissions factors updated by the International Energy Agency at the end of 2018, and other regionally published factors such as the eGRID in the U.S.

## **C6. Emissions data**

## **C6.1**

### **(C6.1) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?**

### **Reporting year**

### **Gross global Scope 1 emissions (metric tons CO2e)**

1058367

### **Start date**

<Not Applicable>

### **End date**

<Not Applicable>

### **Comment**

Please note, FCA is reporting CO2 and not CO2e. Emissions of greenhouse gases (GHGs) other than CO2 have a negligible impact and therefore are not included (CO2 accounts for over 99% of the Group’s total GHG emissions).

## **C6.2**

### **(C6.2) Describe your organization’s approach to reporting Scope 2 emissions.**

### **Row 1**

### **​Scope 2, location-based​**

We are reporting a Scope 2, location-based figure

### **Scope 2, market-based**

We are reporting a Scope 2, market-based figure

### **Comment**

## **C6.3**

### **(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?**

### **Reporting year**

### **Scope 2, location-based**

2296709

### **Scope 2, market-based (if applicable)**

2359103

### **Start date**

<Not Applicable>

### **End date**

<Not Applicable>

### **Comment**

Please note, FCA is reporting CO2 and not CO2e. Emissions of greenhouse gases (GHGs) other than CO2 have a negligible impact and therefore are not included (CO2 accounts for over 99% of the Group’s total GHG emissions).

## **C6.4**

### **(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

Yes

## **C6.4a**

### **(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.**

### **Source**

14 out of 115 plants

### **Relevance of Scope 1 emissions from this source**

Emissions are not relevant

### **Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

### **Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

### **Explain why this source is excluded**

Data was not considered material, and thus was not reported, for plants representing collectively less than 1% of 2019 industrial turnover. These 14 plants are in start-up or closing phase, with low or null impact on overall energy consumption and GHG emissions. However, FCA also provides full emission data for 4 active plants of companies that are not consolidated, including one joint venture in Turkey and three in China, and thus are not counted in the total 111 number of plants reported in the Annual Report.

### **Source**

GHG other than CO2

### **Relevance of Scope 1 emissions from this source**

Emissions are not relevant

### **Relevance of location-based Scope 2 emissions from this source**

Emissions are not relevant

### **Relevance of market-based Scope 2 emissions from this source (if applicable)**

Emissions are not relevant

### **Explain why this source is excluded**

Emissions of greenhouse gases (GHGs) other than CO2 have a negligible impact and therefore are not included (CO2 accounts for over 99% of the Group’s total GHG emissions).

## **C6.5**

### **(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.**

### **Purchased goods and services**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

26971020

### **Emissions calculation methodology**

For this category the Group applied the spend-based method: Σ (value of purchased goods or services (€) × emission factor of purchased goods or services per unit of economic value (kg CO2/€)), see Greenhouse Gas Protocol’s Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Technical Guidance for Calculating Scope 3 Emissions. Emission factors of purchased goods or services per unit of economic value were estimated using data of suppliers who responded to the CDP Supply Chain program. In 2019, 209 suppliers (representing about 51% of FCA's 2019 direct and indirect material purchased value) responded to the CDP program. Using the CDP Supply Chain data for the reporting year 2018, as well as our related annual purchased value, we calculated the emissions figure in metric tons of CO2 per unit of spend. We then estimated 2019 allocated emissions per supplier using our 2019 annual purchased value, and assumed that the emissions figures are the same. Data will be updated through the 2020 CDP Supply Chain program submitted by suppliers invited. Please note that following an analysis performed by FCA to validate the data collected through the CDP Supply Chain module, the emission allocation of 119 suppliers (representing approximately 48% of FCA’s 2019 direct and indirect material purchased value) were considered in the calculation. The figures have been scaled up to be representative of 100% of direct and indirect material purchased value.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

48

### **Please explain**

### **Capital goods**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

707594

### **Emissions calculation methodology**

For this category the Group applied the spend-based method: Σ (value of capital goods (€) × emission factor of capital goods per unit of economic value (kg CO2/€)), see Greenhouse Gas Protocol’s Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Technical Guidance for Calculating Scope 3 Emissions. Emission factors of capital goods per unit of economic value were estimated using data of suppliers who responded to the CDP Supply Chain program. In 2019, 209 suppliers (representing about 51% of FCA's 2019 direct and indirect material purchased value) responded to the CDP program. Using the CDP Supply Chain data for the reporting year 2018, as well as our related annual purchased value, we calculated the emissions figure in metric tons of CO2 per unit of spend. We then estimated 2019 allocated emissions per supplier using our 2019 annual purchased value, and assumed that the emissions figures are the same. Data will be updated through the 2020 CDP Supply Chain program submitted by suppliers invited. Please note that following an analysis performed by FCA to validate the data collected through the CDP Supply Chain module, the emission allocation of 119 suppliers (representing approximately 48% of FCA’s 2019 direct and indirect material purchased value) were considered in the calculation. The figures have been scaled up to be representative of 100% of direct and indirect material purchased value.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

48

### **Please explain**

### **Fuel-and-energy-related activities (not included in Scope 1 or 2)**

### **Evaluation status**

Not relevant, calculated

### **Metric tonnes CO2e**

51719

### **Emissions calculation methodology**

The activities considered for this category are: A) Upstream emissions of purchased fuels; B) Transmission and Distribution losses (according to the activities description listed in the GHG Protocol, Technical Guidance for Calculating Scope 3 emissions). CO2e emissions = CO2e emissions of A + CO2e emissions of B. For activity A the average-data method has been applied (see GHG Protocol, Technical Guidance for Calculating Scope 3 emissions): Upstream CO2 emissions of purchased fuels = Σ (fuel consumed (e.g., kWh) × upstream fuel emission factor (kg CO2e)/kWh)) where: upstream fuel emission factor = life cycle emission factor – combustion emission factor. For activity B the average-data method has been applied (see GHG Protocol, Technical Guidance for Calculating Scope 3 emissions): CO2e emissions from energy = Σ (electricity consumed on the grid (kWh) × Transmission and Distribution loss rate (%) × electricity emission factor ((kg CO2e)/kWh) from IEA (International Energy Agency). Data refers to about 50 premises. Transmission and Distribution loss rates are specific for each country where the plants are located, national official sources such as the resolutions of the Italian Regulatory Authority for Electricity and Gas – AAEG – have been used. Other data sources are internal. For calculating this Scope 3 category a location-based scope 2 total has been used as the basis.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

### **Please explain**

The Group considers this category not relevant because it does not contribute significantly to the Company’s total anticipated Scope 3 emissions (this category weights less than 1%) as well as because few potential emissions reductions could be undertaken or influenced by the Company.

### **Upstream transportation and distribution**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

791225

### **Emissions calculation methodology**

Data refers to 2019 CO2 emissions relating to UPSTREAM logistics processes worldwide. The calculation of CO2 emissions is based on the criteria illustrated in the Greenhouse Gas Protocol’s Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Technical Guidance for Calculating Scope 3 Emissions. Real activity data related to routes, distances, frequencies and transport capacities are used in the calculation process. Although the procedure to calculate CO2 emissions follows a similar approach for each mode of transportation, different coefficients or emission factors were used for each specific modality. Routes, number of transports and capacity utilization are extracted from Supply Chain Management Tools. Fuel efficiency is established in the base rate for truck carriers (included in payment terms), collected directly from carriers and shippers or refers to industry or international standards or local legislation and guidelines. Emission factors are taken from international standards or governmental agency guidelines, among which: standard EN16258, U.S. Environmental Protection Agency and DEFRA - U.K. Department for Environment, Food and Rural Affairs.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

### **Please explain**

### **Waste generated in operations**

### **Evaluation status**

Not relevant, calculated

### **Metric tonnes CO2e**

1350

### **Emissions calculation methodology**

For this category the Group uses the waste-type-specific method (see the GHG Protocol, Technical Guidance for Calculating Scope 3 emissions); emission factors are sourced for specific waste treatment methods. The methodology has been applied to sludge from paint processes sent to waste-to-energy plants. The estimated CO2 emissions for this type of waste in 2019 can be considered negligible compared to other Scope 3 categories (this category weights less than 1%).

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

### **Please explain**

### **Business travel**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

23357

### **Emissions calculation methodology**

The CO2 emissions recorded in 2019 are calculated and provided by the Group’s travel providers. For each paid trip, emissions are calculated automatically based on activity data on distance, destination, city pairs, seat class and distance class.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

### **Please explain**

### **Employee commuting**

### **Evaluation status**

Not relevant, calculated

### **Metric tonnes CO2e**

9000

### **Emissions calculation methodology**

The calculation is based on real data collected in past years from 7% of employees worldwide. According to GHG Protocol – Technical Guidance for Calculating Scope 3 Emissions - data gathered on distances covered and means of transport was then multiplied for emission factors taken from international standards or governmental agencies' guidelines.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

### **Please explain**

The Group considers this category not relevant because it does not contribute significantly to the Company’s total anticipated Scope 3 emissions as well as because few potential emissions reductions could be undertaken or influenced by the Company.

### **Upstream leased assets**

### **Evaluation status**

Not relevant, calculated

### **Metric tonnes CO2e**

0

### **Emissions calculation methodology**

This category is accounted as 0 (zero) because upstream leased assets are already incorporated in our Scope 1 and Scope 2 emissions since we have operational control over these sites. Total CO2 emissions were measured by multiplying the electricity emission factor specific for countries or fuel emission factor for the quantity of fuel/electricity consumed. Emission factors were taken from the International Energy Agency publication.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

### **Please explain**

### **Downstream transportation and distribution**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

699208

### **Emissions calculation methodology**

Data refers to 2019 CO2 emissions relating to both DOWNSTREAM logistics processes and SPARE PARTS distribution worldwide. The calculation of CO2 emissions is based on the criteria illustrated in the Greenhouse Gas Protocol’s Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Technical Guidance for Calculating Scope 3 Emissions. Real activity data related to routes, distances, frequencies and transport capacities are used in the calculation process. Although the procedure to calculate CO2 emission follows a similar approach for each mode of transportation, different coefficients or emission factors were used for each specific modality. Routes, number of transports and capacity utilization are extracted from Supply Chain Management Tools. Fuel efficiency is established in the base rate for truck carriers (included in payment terms), collected directly from carriers and shippers or refers to industry or international standards or local legislation and guidelines. Emission factors are taken from international standards or governmental agency guidelines, among which: standard EN16258, U.S. Environmental Protection Agency and DEFRA - U.K. Department for Environment, Food and Rural Affairs.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

### **Please explain**

### **Processing of sold products**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

A negligible portion of the mass-market vehicle portfolio undergoes further processing before being sold to customers, as well as chassis sold to other manufacturers. This category of the Group's overall Scope 3 emissions can be considered of minor relevance for its environmental footprint.

### **Use of sold products**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

92524830

### **Emissions calculation methodology**

Data is based on 3,630,242 vehicles sold in EU+EFTA, the US, Brazil and China markets. This figure includes passenger cars sold in EU+EFTA, Brazil and China and passenger cars and light duty trucks sold in model year 2019 in the US. Estimated average annual mileage of 15,000 km for all fuel and engine types and 10 years of vehicle life. This Category includes vehicles leased to customers.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

### **Please explain**

### **End of life treatment of sold products**

### **Evaluation status**

Relevant, calculated

### **Metric tonnes CO2e**

845856

### **Emissions calculation methodology**

Data is estimated using Life Cycle Assessment according to ISO 14040-14044; performed with Gabi 9.0 software, using CML 2001 method (updated January 2016) in order to calculate the GWP of the end of life of an average FCA vehicle. This result was multiplied for the number of vehicles sold worldwide during 2019. The results take into account the environmental debts due to the following ELV management activities: depollution (oil, fluids), dismantling for component reuse and material recycling, shredding activities, landfilling of the Automotive Shredder Residue. The environmental credits due to the reuse, recycling and recovery of the materials sorted are out of the boundaries of the LCA. Data quality is good: majority of data is primary data and comes from internal FCA activities and from FCA partners involved in the end of life management activities in Europe (where the 2000/53 European Directive gives responsibilities to the Economic Operators of the chain), some high quality data comes from LCA software GABI 9.0 database; data on the vehicles sold worldwide refer to 2019. Data sources used are FCA internal ELV management activities; European ELV management chain partners; Gabi 9.0 SW database; https://www.fcagroup.com/en-US/investors/financial\_regulatory/financial\_reports/files/FCA\_NV\_2019\_Annual\_Report.pdf

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

### **Please explain**

According to auto industry studies and FCA's internal calculations, the carbon footprint in terms of Global Warming Potential – GWP – (CO2eq) of the end-of-life treatment of sold products accounts for 1-3% of products' environmental impact throughout their entire life cycle (manufacturing process, use and disposal phases). Nevertheless, the Group continues to analyze existing leading methodologies and initiatives and monitors developments in Europe of a common voluntary methodology in order to facilitate the future establishment of a range of possible policy scenarios related to these issues. The Group recognizes that in order to reach the targets set in 2015 by the European Directive 2000/53/EC (85% recycling and 95% recovery) it is essential to strengthen its commitment and intensify dedicated activities and programs. To maximize the recoverability of its end-of-life vehicles, the Group has developed a network of approved agents who are trained and instructed in dismantling reusable components and properly separating materials so that they can be recycled. In addition, the Group developed a website designed to provide customers with information and facilitate communication between dismantling agents and non-metallic materials recycling companies (www.carecycling.fiat.com). This website is continually updated and includes news and announcements about new relevant regulations, activities to promote recycling and new research projects for handling materials coming from the vehicle dismantling businesses.

### **Downstream leased assets**

### **Evaluation status**

Not relevant, calculated

### **Metric tonnes CO2e**

0

### **Emissions calculation methodology**

This category is accounted as 0 (zero) as the Group incorporates emissions from products leased to customers into the category "use of sold products" in order to avoid double-counting between the two categories. In fact, the same product is provided to customers both through sales or lease contracts and it's not considered relevant to separate them in terms of efforts aimed at developing strategies for emissions reduction. The accounting of CO2 emissions for products leased to customers is the same as for products sold to customers.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

### **Please explain**

### **Franchises**

### **Evaluation status**

Not relevant, calculated

### **Metric tonnes CO2e**

125535

### **Emissions calculation methodology**

Figures refer to the distribution network in the EMEA region. Data estimated according to the GHG Protocol – Technical Guidance for Calculating Scope 3 Emissions. Through data collected in past years in selected dealerships, relying on directly monitored information about Scope 1 and Scope 2 energy consumption, we were able to calculate the energy consumption factor per square meter specific for car dealerships. Total CO2 emissions estimated by multiplying the energy consumption factor for the average surface dimension of dealerships, the number of points of sale in each EMEA market and applying emission factors specific for countries or fuels. Emission factors were taken from international standards such those released by the IEA.

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

### **Please explain**

The Group considers as not relevant the Scope 3 emissions from the privately owned dealership network as we do not have direct control or influence on these activities and the related emissions. However, several initiatives are in place to increase sustainability awareness and efficient use of resources in the network of independent dealers.

### **Investments**

### **Evaluation status**

Not relevant, explanation provided

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

CO2 emissions from 4 Group plants operated through joint ventures on which the Group has operational control are already included in our Scope 1 and 2 figures. Emissions from other investments not included in Scope 1 and/or 2 are considered not relevant for the Group global carbon footprint as they are primarily relevant for financial sector companies. Even if the Group operates in a financial business providing financing and leasing packages as well as insurance services (i.e., credit protection insurance, car insurance, extended warranties), any possible emissions from these activities is negligible, and is estimated to represent less than 1% of total Scope 3 emissions.

### **Other (upstream)**

### **Evaluation status**

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

### **Other (downstream)**

### **Evaluation status**

### **Metric tonnes CO2e**

<Not Applicable>

### **Emissions calculation methodology**

<Not Applicable>

### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

### **Please explain**

## **C6.7**

### **(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

## **C6.10**

### **(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

### **Intensity figure**

0.0000316

### **Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

3417470

### **Metric denominator**

unit total revenue

### **Metric denominator: Unit total**

108187000000

### **Scope 2 figure used**

Market-based

### **% change from previous year**

3.1

### **Direction of change**

Decreased

### **Reason for change**

In 2019, FCA revenues decreased by 2.0% (from approximately €110.4 billion in 2018 to €108.2 billion in 2019), primarily due to lower volumes of Maserati and EMEA region. Total GHG emissions decreased by 5.1% (from around 3.6 to 3.4 million tons of CO2) both in Scope 1 and Scope 2, thanks to an additional impact of emission reduction activities (around 4,200 projects) as reported in C4.3b. Please note that FCA published in the 2019 Sustainability Report new restated data for 2018 due to use of residual mix to calculate Market-based figures. If applied to figures reported in past years this restatement would lead to higher emission reduction (-8.6%), and therefore the change from previous year of the Intensity figure would have reached a decrease of 6.7%

## **C7. Emissions breakdowns**

## **C7.1**

### **(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

No

## **C7.2**

### **(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

|  |  |
| --- | --- |
| **Country/Region** | **Scope 1 emissions (metric tons CO2e)** |
| Argentina | 3048 |
| Brazil | 99961 |
| Canada | 148097 |
| China | 4908 |
| France | 497 |
| India | 4472 |
| Italy | 100079 |
| Mexico | 105694 |
| Poland | 13056 |
| Portugal | 2092 |
| Romania | 380 |
| Serbia | 7807 |
| Spain | 1102 |
| Turkey | 34915 |
| United States of America | 532260 |

## **C7.3**

### **(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

## **C7.3a**

### **(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

|  |  |
| --- | --- |
| **Business division** | **Scope 1 emissions (metric ton CO2e)** |
| Mass-market vehicle assembly and stamping | 769323 |
| Mass-market vehicle engines and transmissions | 64817 |
| Mass-market vehicle casting | 43006 |
| Mass-market vehicle others | 17423 |
| Maserati | 10675 |
| Teksid | 139560 |
| Comau | 5414 |
| Plastic Components | 8149 |

## **C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4**

### **(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Gross Scope 1 emissions, metric tons CO2e** | **Net Scope 1 emissions , metric tons CO2e** | **Comment** |
| Cement production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Chemicals production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Coal production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Electric utility activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Metals and mining production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (upstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (midstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (downstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Steel production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Transport OEM activities | 905244 | <Not Applicable> | Scope 1 emissions related to transport OEM activities are the sum of mass-market vehicles activities in the four regions (APAC, EMEA, LATAM and North America) and Maserati company. |
| Transport services activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## **C7.5**

### **(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Country/Region** | **Scope 2, location-based (metric tons CO2e)** | **Scope 2, market-based (metric tons CO2e)** | **Purchased and consumed electricity, heat, steam or cooling (MWh)** | **Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)** |
| Argentina | 5646 | 5646 | 16377 | 0 |
| Brazil | 55682 | 311 | 618315 | 614317 |
| Canada | 14692 | 14692 | 349751 | 0 |
| China | 43174 | 43174 | 73260 | 0 |
| France | 190 | 0 | 3504 | 3504 |
| India | 20232 | 4339 | 28148 | 22133 |
| Italy | 426222 | 499103 | 1845095 | 101725 |
| Mexico | 272741 | 262551 | 571467 | 21350 |
| Poland | 238880 | 320880 | 399406 | 35287 |
| Portugal | 20588 | 9731 | 59246 | 27549 |
| Romania | 0 | 0 | 0 | 0 |
| Serbia | 23525 | 23525 | 38186 | 0 |
| Spain | 462 | 474 | 1602 | 545 |
| Turkey | 57863 | 57863 | 128400 | 0 |
| United States of America | 1116814 | 1116814 | 1959675 | 0 |

## **C7.6**

### **(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

## **C7.6a**

### **(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

|  |  |  |
| --- | --- | --- |
| **Business division** | **Scope 2, location-based (metric tons CO2e)** | **Scope 2, market-based (metric tons CO2e)** |
| Mass-market vehicle assembly and stamping | 1236335 | 1255420 |
| Mass-market vehicle engines and transmissions | 636150 | 702514 |
| Mass-market vehicle casting | 69477 | 69477 |
| Mass-market vehicle others | 62031 | 60782 |
| Maserati | 44684 | 55562 |
| Teksid | 212705 | 171327 |
| Comau | 8202 | 6086 |
| Plastic Components | 27125 | 37935 |

## **C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7**

### **(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Scope 2, location-based, metric tons CO2e** | **Scope 2, market-based (if applicable), metric tons CO2e** | **Comment** |
| Cement production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Chemicals production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Coal production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Metals and mining production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (upstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (midstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Oil and gas production activities (downstream) | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Steel production activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Transport OEM activities | 2048678 | 2143755 | Scope 2 emissions related to transport OEM activities are the sum of mass-market vehicles activities in the four regions (APAC, EMEA, LATAM and North America) and Maserati company. |
| Transport services activities | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## **C-TO7.8**

### **(C-TO7.8) Provide primary intensity metrics that are appropriate to your indirect emissions in Scope 3 Category 11: Use of sold products from transport.**

### **Activity**

Light Duty Vehicles (LDV)

### **Emissions intensity figure**

0.000106

### **Metric numerator (Scope 3 emissions: use of sold products) in Metric tons CO2e**

92524830

### **Metric denominator**

p.km

### **Metric denominator: Unit total**

871258080000

### **% change from previous year**

4.6

### **Vehicle unit sales in reporting year**

3630242

### **Vehicle lifetime in years**

10

### **Annual distance in km or miles (unit specified by column 4)**

15000

### **Load factor**

The calculation of the emissions intensity figure is based on the average occupancy rates for passengers cars used in the Mobility Model (also known as MoMo), 2017: equal to 1.6. This load factor value could change in the coming years depending on factors such as changes in mobility trends and future services offered (e.g., TaaS, Transport as a Service).

### **Please explain the changes, and relevant standards/methodologies used**

The emissions intensity figure increased by approximately 4.6% in 2019 compared to the previous year and was mainly due to an increase in global shipments combined with a Scope 3 increase of 7.7%. Data is based on vehicles sold in EU+EFTA, the U.S., Brazil and China markets, which is the same perimeter as last year. This figure includes passenger cars sold in EU+EFTA, Brazil and China, and 2019 model year passenger cars and light duty trucks sold in the U.S.

## **C7.9**

### **(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

## **C7.9a**

### **(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Change in emissions (metric tons CO2e)** | **Direction of change** | **Emissions value (percentage)** | **Please explain calculation** |
| Change in renewable energy consumption | 2024 | Decreased | 0.1 | In 2019, the investment in renewable energy procurement slightly increased compared with the previous year. For this reason, CO2 emissions avoided in 2019 through the use of renewable energy are higher compared to the previous year. FCA's Scope 1 and Scope 2 emissions in the previous year were 3,599,405 tons of CO2. We calculated -0.1% through (-2,024 / 3,599,405) \* 100 = -0.1%. |
| Other emissions reduction activities | 218951 | Decreased | 6.1 | The World Class Manufacturing (WCM) system reflects FCA’s commitment to environmental and sustainability issues. WCM, and in particular the Environment pillar of WCM, is an integral part of the Group’s Environmental Management System. This pillar is dedicated to the development of instruments and methods that provide support in reaching targets to reduce the environmental impact of plants while aiming to cut waste and optimize energy use. The Energy sub-pillar, included under the Environment pillar, plays a key role in improving energy performance through specific projects targeted at eliminating inefficient energy use. Various energy efficiency initiatives were implemented throughout the Group to reduce energy consumption and thus GHG emissions. In 2019, around 4,200 specific energy projects were implemented, resulting in an estimated 218,951 fewer tons of CO2 emissions. Each project is tracked and energy efficiency improvements are part of internal program reporting (subject to WCM audit). FCA's Scope1 and Scope 2 emissions in the previous year were 3,599,405 tons of CO2. We calculated -6.1% through (-218,951 / 3,599,405) \* 100 = -6.1% |
| Divestment |  | <Not Applicable> |  |  |
| Acquisitions |  | <Not Applicable> |  |  |
| Mergers |  | <Not Applicable> |  |  |
| Change in output | 175816 | Decreased | 4.7 | Reduction in production volumes (output) for some Group companies, mainly in the Automotive sector, resulted in a corresponding decrease in energy consumption and thus in GHG emissions. FCA's Scope1 and Scope 2 emissions in the previous year were 3,599,405 tons of CO2. We calculated -4.7% through (-175,816 / 3,599,405) \* 100 = -4.9%. |
| Change in methodology | 212822 | Increased | 5.9 | A change in methodology and in emission factors used (including use of residual mix not previously found for some countries) led to an increase in emissions compared to previous year. With current methodology, 2018 FCA total emissions would amount to 3,737,938 tons of CO2, as reported in the 2019 FCA Sustainability Report. Considering figures previously reported in CDP, FCA's Scope1 and Scope 2 emissions in the previous year were 3,599,405 tons of CO2. We calculated +5.9% through (212,822 / 3,599,405) \* 100 = +5.9%. |
| Change in boundary | 2034 | Increased | 0.1 | 0.1% increase in boundary is mainly due to an inclusion of plants for Plastic Components company and Mass-market vehicles others in LATAM region, partially compensated by the closure of a Comau plant. FCA's Scope1 and Scope 2 emissions in the previous year were 3,599,405 tons of CO2. We calculated +0.1% through (2,034 / 3,599,405) \* 100 = +0.1%. |
| Change in physical operating conditions |  | <Not Applicable> |  |  |
| Unidentified |  | <Not Applicable> |  |  |
| Other |  | <Not Applicable> |  |  |

## **C7.9b**

### **(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

## **C8. Energy**

## **C8.1**

### **(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

## **C8.2**

### **(C8.2) Select which energy-related activities your organization has undertaken.**

|  |  |
| --- | --- |
|  | **Indicate whether your organization undertook this energy-related activity in the reporting year** |
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | Yes |
| Consumption of purchased or acquired steam | No |
| Consumption of purchased or acquired cooling | Yes |
| Generation of electricity, heat, steam, or cooling | Yes |

## **C8.2a**

### **(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Heating value** | **MWh from renewable sources** | **MWh from non-renewable sources** | **Total (renewable and non-renewable) MWh** |
| Consumption of fuel (excluding feedstock) | LHV (lower heating value) | 0 | 5526104 | 5526104 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 806226 | 4115672 | 4921897 |
| Consumption of purchased or acquired heat | <Not Applicable> | 0 | 868657 | 868657 |
| Consumption of purchased or acquired steam | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of purchased or acquired cooling | <Not Applicable> | 10302 | 291573 | 301875 |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | 247 | <Not Applicable> | 247 |
| Total energy consumption | <Not Applicable> | 816775 | 10802005 | 11618780 |

## **C8.2b**

### **(C8.2b) Select the applications of your organization’s consumption of fuel.**

|  |  |
| --- | --- |
|  | **Indicate whether your organization undertakes this fuel application** |
| Consumption of fuel for the generation of electricity | No |
| Consumption of fuel for the generation of heat | Yes |
| Consumption of fuel for the generation of steam | No |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | Yes |

## **C8.2c**

### **(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

### **Fuels (excluding feedstocks)**

Natural Gas

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

5269702

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

5251577

### **MWh fuel consumed for self-generation of steam**

<Not Applicable>

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

18125

### **Emission factor**

0.0561

### **Unit**

metric tons CO2 per GJ

### **Emissions factor source**

2006 IPCC Guidelines

### **Comment**

### **Fuels (excluding feedstocks)**

Diesel

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

18014

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

18014

### **MWh fuel consumed for self-generation of steam**

<Not Applicable>

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.0741

### **Unit**

metric tons CO2 per GJ

### **Emissions factor source**

2006 IPCC Guidelines

### **Comment**

### **Fuels (excluding feedstocks)**

Coal

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

217306

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

217306

### **MWh fuel consumed for self-generation of steam**

<Not Applicable>

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.0946

### **Unit**

metric tons CO2 per GJ

### **Emissions factor source**

2006 IPCC Guidelines

### **Comment**

### **Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

### **Heating value**

LHV (lower heating value)

### **Total fuel MWh consumed by the organization**

21082

### **MWh fuel consumed for self-generation of electricity**

<Not Applicable>

### **MWh fuel consumed for self-generation of heat**

21082

### **MWh fuel consumed for self-generation of steam**

<Not Applicable>

### **MWh fuel consumed for self-generation of cooling**

<Not Applicable>

### **MWh fuel consumed for self-cogeneration or self-trigeneration**

0

### **Emission factor**

0.0631

### **Unit**

metric tons CO2 per GJ

### **Emissions factor source**

2006 IPCC Guidelines

### **Comment**

## **C8.2d**

### **(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Total Gross generation (MWh)** | **Generation that is consumed by the organization (MWh)** | **Gross generation from renewable sources (MWh)** | **Generation from renewable sources that is consumed by the organization (MWh)** |
| Electricity | 4726 | 4342 | 200 | 200 |
| Heat | 181210 | 181210 | 45 | 45 |
| Steam | 0 | 0 | 0 | 0 |
| Cooling | 0 | 0 | 0 | 0 |

## **C8.2e**

### **(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.**

### **Sourcing method**

Power purchase agreement (PPA) with on-site/off-site generator owned by a third party with no grid transfers (direct line)

### **Low-carbon technology type**

Solar

### **Country/region of consumption of low-carbon electricity, heat, steam or cooling**

Italy

### **MWh consumed accounted for at a zero emission factor**

2988

### **Comment**

### **Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

### **Low-carbon technology type**

Low-carbon energy mix

### **Country/region of consumption of low-carbon electricity, heat, steam or cooling**

India

### **MWh consumed accounted for at a zero emission factor**

22133

### **Comment**

2/3 wind and 1/3 photovoltaic technology

### **Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

### **Low-carbon technology type**

Hydropower

### **Country/region of consumption of low-carbon electricity, heat, steam or cooling**

Italy

### **MWh consumed accounted for at a zero emission factor**

43081

### **Comment**

### **Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

### **Low-carbon technology type**

Hydropower

### **Country/region of consumption of low-carbon electricity, heat, steam or cooling**

Brazil

### **MWh consumed accounted for at a zero emission factor**

614317

### **Comment**

### **Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

### **Low-carbon technology type**

Hydropower

### **Country/region of consumption of low-carbon electricity, heat, steam or cooling**

Western Europe

### **MWh consumed accounted for at a zero emission factor**

63381

### **Comment**

Countries: Poland = 35,287 Portugal = 27,549 Spain = 545

### **Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

### **Low-carbon technology type**

Hydropower

### **Country/region of consumption of low-carbon electricity, heat, steam or cooling**

Mexico

### **MWh consumed accounted for at a zero emission factor**

21350

### **Comment**

### **Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator without energy attribute certificates

### **Low-carbon technology type**

Wind

### **Country/region of consumption of low-carbon electricity, heat, steam or cooling**

France

### **MWh consumed accounted for at a zero emission factor**

3504

### **Comment**

### **Sourcing method**

Unbundled energy attribute certificates, Guarantees of Origin

### **Low-carbon technology type**

Hydropower

### **Country/region of consumption of low-carbon electricity, heat, steam or cooling**

Italy

### **MWh consumed accounted for at a zero emission factor**

55656

### **Comment**

## **C-TO8.5**

### **(C-TO8.5) Provide any efficiency metrics that are appropriate for your organization’s transport products and/or services.**

### **Activity**

Light Duty Vehicles (LDV)

### **Metric figure**

25.49

### **Metric numerator**

tCO2

### **Metric denominator**

Production: Vehicle

### **Metric numerator: Unit total**

92524830

### **Metric denominator: Unit total**

3630242

### **% change from previous year**

2.99

### **Please explain**

The emissions intensity figure increased by approximately 4.6% in 2019 compared to the previous year and was mainly due to an increase in global shipments combined with a Scope 3 increase of 7.7%. Data is based on vehicles sold in EU+EFTA, the U.S., Brazil and China markets, which is the same perimeter as last year. This figure includes passenger cars sold in EU+EFTA, Brazil and China, and 2019 model year passenger cars and light duty trucks sold in the U.S.

## **C9. Additional metrics**

## **C9.1**

### **(C9.1) Provide any additional climate-related metrics relevant to your business.**

### **Description**

Waste

### **Metric value**

806396

### **Metric numerator**

### **Metric denominator (intensity metric only)**

### **% change from previous year**

8

### **Direction of change**

Decreased

### **Please explain**

Tons of total waste generated by FCA plants worldwide. This figure decreased by 8% in 2019 vs previous year and decreased by 52% compared with 2010.

### **Description**

Waste

### **Metric value**

23256

### **Metric numerator**

### **Metric denominator (intensity metric only)**

### **% change from previous year**

3

### **Direction of change**

Decreased

### **Please explain**

Tons of total hazardous waste generated by FCA plants worldwide. This figure decreased by 3% in 2019 vs previous year and decreased by 54% compared with 2010.

## **C-TO9.3/C-TS9.3**

### **(C-TO9.3/C-TS9.3) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.**

### **Activity**

Light Duty Vehicles (LDV)

### **Metric**

Sales

### **Technology**

Plug-in hybrid vehicle (PHEV)

### **Metric figure**

5811

### **Metric unit**

Units

### **Explanation**

The Chrysler Pacifica plug-in hybrid achieves an efficiency rating of 82 miles per gallon equivalent (MPGe), based on U.S. Environmental Protection Agency testing standards and has an approximately 72% reduction in CO2 compared to the non-hybrid Chrysler Pacifica. Power to the wheels is supplied via a 16 kWh battery through the hybrid electric drive system which is comprised of a specially adapted new version of the award-winning Pentastar 3.6-liter engine and the new eFlite hybrid transmission. Source for number of units: Transportation Research Center at Argonne National Laboratory https://afdc.energy.gov/data/10567

### **Activity**

Light Duty Vehicles (LDV)

### **Metric**

Sales

### **Technology**

Battery electric vehicle (BEV)

### **Metric figure**

632

### **Metric unit**

Units

### **Explanation**

The Fiat 500e was available only in the North American market. It offered an all-electric range of 84 miles and achieved 121 MPGe City, 103 MPGe Highway and 112 MPGe Combined. FCA does not publicly disclose annual sales of the Fiat 500e, therefore for 2019, the following source was used for number of units: Transportation Research Center at Argonne National Laboratory https://afdc.energy.gov/data/10567

### **Activity**

Light Duty Vehicles (LDV)

### **Metric**

Sales

### **Technology**

Vehicle using bio-fuel

### **Metric figure**

425000

### **Metric unit**

Units

### **Explanation**

In Brazil, FCA has a full range of Flexfuel vehicles that run on varying blends of gasoline and bioethanol. Brazil has an extensive bioethanol distribution network, supported by long-standing government policies and readily available raw materials. In 2019, more than 425,000 FCA Flexfuel vehicles were registered in Brazil, accounting for approximately 86% of vehicles licensed by the Group in this market.

### **Activity**

Light Duty Vehicles (LDV)

### **Metric**

Sales

### **Technology**

Other, please specify (Vehicles using CNG)

### **Metric figure**

10000

### **Metric unit**

Units

### **Explanation**

Natural gas has the potential to become a renewable fuel source in the form of biomethane. Biomethane, which is produced by upgrading biogas, has the same properties and uses as fossil natural gas. Biogas is derived from organic materials such as manure, crop residues and organic municipal waste. A natural gas vehicle can also run on biomethane and, on a well-to-wheel basis, produces roughly the same level of CO2 emissions as an electric-powered vehicle running on electricity generated from renewable fuel. FCA is among the EU-market leaders in compressed natural gas (CNG) propulsion. Since 1997, the Group’s output of CNG-powered vehicles in Europe exceeded 770,000 vehicles. Natural gas is one of the most economical fuels available and a viable alternative to traditional fuels.

### **Activity**

Light Duty Vehicles (LDV)

### **Metric**

Production

### **Technology**

Fuel cell electric vehicle (FCEV)

### **Metric figure**

0

### **Metric unit**

Units

### **Explanation**

FCA’s approach to responsible vehicle development includes dedication to efficient powertrains, improved aerodynamics, weight reduction, vehicle safety, quality, increased use of renewable materials, and innovative mobility options such as autonomous technology and connectivity solutions. Economically viable results can best be achieved by combining, where technologically possible, conventional and alternative technologies, while recognizing and accommodating the different regulatory requirements of each market. FCA continues to monitor the development of fuel cell technology.

## **C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6**

### **(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?**

|  |  |  |
| --- | --- | --- |
|  | **Investment in low-carbon R&D** | **Comment** |
| Row 1 | Yes |  |

## **C-TO9.6a/C-TS9.6a**

### **(C-TO9.6a/C-TS9.6a) Provide details of your organization’s investments in low-carbon R&D for transport-related activities over the last three years.**

### **Activity**

Light Duty Vehicles (LDV)

### **Technology area**

Other, please specify (Multiple areas including electrification, autonomous driving, connectivity)

### **Stage of development in the reporting year**

Applied research and development

### **Average % of total R&D investment over the last 3 years**

81-100%

### **R&D investment figure in the reporting year (optional)**

### **Comment**

FCA’s global R&D activities are aimed at improving the design, performance, safety, fuel efficiency, reliability, consumer perception and sustainability of the Group’s products and services. In 2019, FCA invested approx. €4.2 billion in R&D, representing 3.9% of net revenues from industrial operations. Approx. 18,000 employees at 46 locations worldwide were involved in the Group’s innovation activities, continuing to generate a significant intellectual property portfolio. Areas of focus for FCA’s R&D activities and business plan include: • continuing to collaborate and partner with technology and auto industry leaders • continuing to invest in a suite of technical solutions to keep pace with evolving regulatory requirements in each region while, at the same time, enhancing the specific strengths of our brands • expecting to offer more than 30 vehicle nameplates with electrified solutions. FCA's primary R&D facilities are located in Turin and Modena (Italy), Auburn Hills (U.S.), Betim (Brazil) and Chennai (India). FCA announced the development of a Battery Hub in Turin (Italy) at the Mirafiori plant beginning in 2020. The Battery Hub is expected to be dedicated to battery assembly and also host prototyping and experimentation activities. The initial investment in place for the Battery Hub will be approx. €50 million. FCA's 2018-2022 business plan aims to develop and offer a broad portfolio of electrified technologies, in line with the ambitious CO2 targets set by the EU. FCA announced an expected investment of more than €9 billion in electrification for the 2018-2022 business plan. In 2018, Fiat Chrysler Automobiles N.V. signed with the European Investment Bank, a €420 million four-year loan to support R&D projects to be implemented by FCA during 2018-2020. FCA’s investment in R&D for the period 2018-2020 has a number of key objectives including electrification technology solutions for hybrid and battery electric vehicles and the development of autonomous driving. R&D projects also include the development of digital technologies to be deployed in manufacturing processes. The €420 million are part of the expected €9 billion in electrification for the business plan.

## **C10. Verification**

## **C10.1**

### **(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

|  |  |
| --- | --- |
|  | **Verification/assurance status** |
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | Third-party verification or assurance process in place |

## **C10.1a**

### **(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

### **Verification or assurance cycle in place**

Annual process

### **Status in the current reporting year**

Complete

### **Type of verification or assurance**

Limited assurance

### **Attach the statement**

[2020\_Verification\_Statement\_FCA.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/XZ0xxBa0WUSmjOWnUqITXQ/2020VerificationStatementFCA.pdf)

### **Page/ section reference**

Pages 1-3

### **Relevant standard**

ISAE 3410

### **Proportion of reported emissions verified (%)**

100

## **C10.1b**

### **(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

### **Scope 2 approach**

Scope 2 location-based

### **Verification or assurance cycle in place**

Annual process

### **Status in the current reporting year**

Complete

### **Type of verification or assurance**

Limited assurance

### **Attach the statement**

[2020\_Verification\_Statement\_FCA.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/XZ0xxBa0WUSmjOWnUqITXQ/2020VerificationStatementFCA.pdf)

### **Page/ section reference**

Pages 1-3

### **Relevant standard**

ISAE 3410

### **Proportion of reported emissions verified (%)**

100

### **Scope 2 approach**

Scope 2 market-based

### **Verification or assurance cycle in place**

Annual process

### **Status in the current reporting year**

Complete

### **Type of verification or assurance**

Limited assurance

### **Attach the statement**

[2020\_Verification\_Statement\_FCA.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/XZ0xxBa0WUSmjOWnUqITXQ/2020VerificationStatementFCA.pdf)

### **Page/ section reference**

Pages 1-3

### **Relevant standard**

ISAE 3410

### **Proportion of reported emissions verified (%)**

100

## **C10.1c**

### **(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

### **Scope 3 category**

Scope 3 (upstream & downstream)

### **Verification or assurance cycle in place**

Annual process

### **Status in the current reporting year**

Complete

### **Type of verification or assurance**

Limited assurance

### **Attach the statement**

[2020\_Verification\_Statement\_FCA.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/XZ0xxBa0WUSmjOWnUqITXQ/2020VerificationStatementFCA.pdf)

### **Page/section reference**

Pages 1-3. Categories verified: Category 1 - Purchased goods and services; Category 2 - Capital goods; Category 4 - Upstream transportation and distribution; Category 8: Upstream leased assets; Category 9 - Downstream transportation and distribution; Category 11 - Use of sold products; Category 13: Downstream leased assets.

### **Relevant standard**

ISAE 3410

### **Proportion of reported emissions verified (%)**

100

## **C10.2**

### **(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

## **C10.2a**

### **(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

|  |  |  |  |
| --- | --- | --- | --- |
| **Disclosure module verification relates to** | **Data verified** | **Verification standard** | **Please explain** |
| C4. Targets and performance | Year on year change in emissions (Scope 1 and 2) | ISAE3410 | Since several years FCA data related to targets has been verified. During yearly CO2 emission verification, the auditors assess both year emission and change to previous years. |
| C4. Targets and performance | Year on year emissions intensity figure | ISAE3410 | Since several years FCA data related to targets has been verified. During yearly CO2 emission verification, the auditors assess both year emission and change to previous years. |
| C4. Targets and performance | Progress against emissions reduction target | ISAE3410 | Since several years FCA data related to targets has been verified. During yearly CO2 emission verification, the auditors assess both year emission and change to previous years. |

## **C11. Carbon pricing**

## **C11.1**

### **(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

## **C11.1a**

### **(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

EU ETS

## **C11.1b**

### **(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.**

### **EU ETS**

### **% of Scope 1 emissions covered by the ETS**

5

### **% of Scope 2 emissions covered by the ETS**

0

### **Period start date**

January 1 2019

### **Period end date**

December 31 2019

### **Allowances allocated**

45378

### **Allowances purchased**

1341

### **Verified Scope 1 emissions in metric tons CO2e**

54075

### **Verified Scope 2 emissions in metric tons CO2e**

0

### **Details of ownership**

Facilities we own and operate

### **Comment**

## **C11.1d**

### **(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

In 2019, the energy used at FCA plants comes more or less equally from third-party power generation plants (52%) or it's produced by company power plants (48%). At year-end 2019, the Group only had 6 directly owned power generation plants that qualified for the European emissions trading system (EU-ETS). All of them are located in Italy. CO2 emissions allocated to these generation plants for 2019 have to date resulted in around 45,000 tons compared to the verified emissions of 54,000 tons. The Group purchased around 1,000 allowances. The Group strategy is structured on four main drivers with the aim of increasing efficiency in terms of energy consumed and CO2 emitted (reducing energy consumption and using cleanest fuels, as well as renewable sources) and reducing the financial cost of energy generation by:

1) Energy efficiency initiatives: the Group benefits from significant synergies among FCA companies through sharing of best practices, increased engagement and awareness among plant employees. This is proven by the implementation of around 4,200 energy improvement projects under the World Class Manufacturing program. In support of these activities, further training and awareness initiatives were delivered to personnel.

2) Efficient energy generation: for the production of energy, FCA favors high efficiency power generation systems: cogeneration and trigeneration plants capable of providing heating and electricity for manufacturing and climate control needs.

3) Renewable energy: the Group is committed to use, where possible and economically viable, renewable energy sources. Almost all the electricity purchased in Brazil has been renewable for several years.

4) Financial instruments: in order to minimize the financial impact of fluctuations in energy prices, several actions are available from a procurement perspective; Fuel markets allow a vast range of flexible procurement methodologies depending on the risk appetite (mainly represented by fixed-term vs indexed formulas).

The impact on financials is also monitored by a dedicated carbon risk management team which provides a monthly forecast according to market price volatility and consumption needs expressed by manufacturing plants and their modifications while the energy contracts are in effect.

## **C11.2**

### **(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## **C11.3**

### **(C11.3) Does your organization use an internal price on carbon?**

Yes

## **C11.3a**

### **(C11.3a) Provide details of how your organization uses an internal price on carbon.**

### **Objective for implementing an internal carbon price**

Identify and seize low-carbon opportunities

### **GHG Scope**

Scope 2

### **Application**

Plants' electric energy

### **Actual price(s) used (Currency /metric ton)**

6

### **Variance of price(s) used**

FCA applies a differentiated pricing depending on the country or Region where we buy renewables.

### **Type of internal carbon price**

Implicit price

### **Impact & implication**

FCA calculates its implicit carbon price by dividing the cost of abatement / procurement by the tons of CO2. It is internally used to evaluate cost efficiency of emission reduction projects and therefore determines if an emission reduction project is implemented or not.

## **C12. Engagement**

## **C12.1**

### **(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

## **C12.1a**

### **(C12.1a) Provide details of your climate-related supplier engagement strategy.**

### **Type of engagement**

Information collection (understanding supplier behavior)

### **Details of engagement**

Collect climate change and carbon information at least annually from suppliers

### **% of suppliers by number**

10

### **% total procurement spend (direct and indirect)**

51

### **% of supplier-related Scope 3 emissions as reported in C6.5**

51

### **Rationale for the coverage of your engagement**

To promote awareness among suppliers of their impact on climate change, 270 suppliers were invited to participate in the CDP Supply Chain program in 2019. Suppliers invited were selected among those with the highest spending and/or significant expected environmental impact.

### **Impact of engagement, including measures of success**

Of those invited, 209 suppliers responded (77% response rate), attaining an average score of C (on a scale from A to D-). This response rate was due in part to dedicated supplier training webinars to support this engagement and to dedicated email notifications to convey the importance and benefits from transparently reporting on impacts. Approximately 52% of responding suppliers reported scope 1 and scope 2 emissions. By 2020, the Group expects to monitor 90-100% of top Group suppliers’ CO2 emissions (accounting for about 57% of annual purchases by value) through the CDP supply chain program. In 2019, suppliers disclosing accounted for about 57% of FCA annual purchases by value from direct and indirect material suppliers. 2019 represented a significant improvement in the impact of engagement compared with the previous years. In 2018, 2017 and 2016, suppliers disclosing through the CDP supply chain program accounted respectively for approximately 55%, 50% and 37% of FCA annual purchases by value from direct and indirect material suppliers for those years.

### **Comment**

## **C12.1b**

### **(C12.1b) Give details of your climate-related engagement strategy with your customers.**

### **Type of engagement**

Education/information sharing

### **Details of engagement**

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

### **% of customers by number**

26

### **% of customer - related Scope 3 emissions as reported in C6.5**

### **Portfolio coverage (total or outstanding)**

<Not Applicable>

### **Please explain the rationale for selecting this group of customers and scope of engagement**

FCA regularly engages with customers to provide information regarding vehicle CO2 emissions and the proper use of our products and services while accommodating brand values, local requirements and different customer needs. This information is provided through a variety of methods, which includes owner and vehicle maintenance manuals. For example, in Europe vehicle manuals include CO2 emission information, recommendations on driving style, appropriate maintenance and other topics that can contribute to reducing fuel consumption and lowering the amount of harmful emissions released into the atmosphere. The environmental impacts of the suggestions provided in the manuals can change due to several factors and external parameters. For example, one suggestion is that the vehicle's electric devices should only be used for the amount of time needed, such as the heated rear window, windscreen wipers and heater fan, which require a considerable amount of energy. These devices can increase fuel consumption by up to +25% in an urban driving cycle.

### **Impact of engagement, including measures of success**

Please note: engagement size refers to the owner manuals for vehicles sold in Europe. FCA customers can access the Mopar channel (https://www.mopar.com/en-us/care/owners-manual.html) and consult features and benefits available such as: 1) Manuals and Guides 2) Educational Videos 3) Uconnect® features. Included in Uconnect Live system is eco:Drive, an FCA software system available on selected models, which offers personalized tips on driving styles with the objective of contributing to a reduction in fuel consumption and emissions. The impact and measures of eco:Drive includes the CO2 avoided by the eco:Drive community, is updated on a daily basis and is available at the following website http://ecodrive.driveuconnect.eu/portal/it/Content.aspx. Every ton avoided by FCA customers can be considered a success. By the end of 2019, the eco:Drive platform estimated that on average FCA users were able to reduce CO2 emissions by 6%, with 10% of users reducing emissions by 16% or greater.

## **C12.1d**

### **(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

Sustainable mobility is something very popular, but the transition to hybrid and electric vehicles goes far beyond the design, production and sale of new models. It also requires a structural transformation. It requires development of a public and domestic network of charging stations for these electric and plug-in hybrid vehicles. But that’s not all. We also need to rethink how energy is generated – focusing on sources that don’t use fossil fuels – and how it is distributed. This is why FCA’s commitment is not limited to simply designing and producing new models, but also to creating the conditions to ensure the new concept of mobility becomes a reality and delivers advantages to customers. For example, FCA has engaged and formed a series of partnerships with leaders in various sectors to support customers of our electrified vehicles. These include Enel X and ENGIE Eps for installation, management and maintenance of domestic charging stations (or “wallboxes”) and applications that enable easy access to the energy grid. Another major partner is Terna – the Italian electricity grid operator – with which FCA is working to build, at the Mirafiori complex, the world’s largest vehicle-to-grid (V2G) lab for testing the capacity of electric vehicles to interact with the distribution network and store or return energy based on demand. The goal of this experimental V2G project is to connect a fleet of electric vehicles via a two-way charging infrastructure to contribute to balancing energy demand during peaks periods. Over the course of the project, the fleet will increase from an initial 64 vehicles to 700 vehicles capable of providing up to 25 megawatts of power. As the investment plan for Mirafiori unfolds, many other initiatives will be implemented, including the creation of a series of solar power production units that will generate renewable energy on-site, providing a major benefit on the sustainability front. In partnership with Edison, 120,000 square meters of photovoltaic panels will be installed on building roofs. A further 30,000 square meters of photovoltaic panels covering 1,750 employee parking spaces will also be installed in partnership with ENGIE Eps. These solar power production units will generate a combined 15 megawatts of electricity contributing to a more than 5,000-ton yearly reduction in carbon emissions while supplying renewable energy to charge the electric vehicles produced at the site. In addition, 850 charging stations are expected to be installed throughout the Turin manufacturing hub, 750 of which will be in employee parking areas.

## **C12.3**

### **(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Direct engagement with policy makers

Trade associations

Other

## **C12.3a**

### **(C12.3a) On what issues have you been engaging directly with policy makers?**

|  |  |  |  |
| --- | --- | --- | --- |
| **Focus of legislation** | **Corporate position** | **Details of engagement** | **Proposed legislative solution** |
| Other, please specify (Alternative fuels and technologies) | Support | As a global enterprise with a complex, intricately connected value chain, FCA engages both directly or through sector associations with a wide range of stakeholders, including policy makers on a variety of issues. FCA’s approach to engaging public institutions aims to make a positive contribution to business conditions that are competitive, as well as sustainable over the long term. For instance, in Europe the Group belongs to trade associations such as the European Automobile Manufacturers’ Association (ACEA). The Association’s mission is to define common interests, policies and positions in the framework of a dialogue with European institutions and other stakeholders. Through ACEA, which interfaces on a regular basis with the major European institutions, FCA has promoted a constructive dialogue with institutions in the following priority fields: connected and automated driving; competitiveness; international trade; market and economy; environment and sustainability; R&D; safety; and transport policy. | FCA's 2018-2022 business plan aims to develop and offer a broad portfolio of electrified technologies over the next years, in line with the ambitious CO2 targets set by the EU. FCA intends to utilize one or more EV systems on over 30 nameplates by 2022, including PHEV and BEV models. Governments should provide a regulatory framework with policies, rules and procedures that are stable, clear and definable and support the transition to electrification with broad industrial policies, including the creation of an adequate infrastructure to fuel the vehicles (i.e. DAFI Directive on Alternative Fuel Infrastructure, implementation), as well as continue to help drive consumer demand. |

## **C12.3b**

### **(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

## **C12.3c**

### **(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

### **Trade association**

Natural Gas Vehicle Associations (NGV America, NGVA Europe, NGV Italy)

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association’s position**

Natural Gas Vehicle Associations (NGVAmerica, NGVA Europe & NGV Italy) support the adoption of government policies that stimulate the development and use of natural gas vehicles (NGVs) to help achieve a number of national and international policy goals, including reducing urban air pollution and greenhouse gases. NGVAmerica advocates for U.S. federal and state legislation and policies that would provide incentives to retail consumers and fleets to purchase and operate NGVs, to original equipment manufacturers (OEMs) to produce NGVs, and to entities to install natural gas home refueling appliances and public refueling infrastructure; support the expansion of NGVs in public transportation and government fleets; and government funding for natural gas vehicle and infrastructure research, development and demonstration. The association also advocates for federal legislation that would provide regulatory incentives to OEMs to produce NGVs.

### **How have you influenced, or are you attempting to influence their position?**

FCA is represented on the Board of Directors of the NGVA Europe and NGV Italy associations, and as a member of NGVAmerica through FCA US. Natural gas is one of the most economical fuels available and a viable alternative to traditional fuels. It produces a low level of regulated emissions and generates 23% less CO2 emissions compared with gasoline. FCA is among the EU-market leaders in compressed natural gas (CNG) propulsion. Since 1997, the Group’s output of CNG-powered vehicles in Europe exceeded 770,000 vehicles. FCA believes that advocating the use of natural gas in various ways will help to secure sustainable mobility. FCA continues to support efforts of the associations to establish and advance industry positions on a range of issues to reduce market hurdles and promote the development of an NGV market. This includes support for the association’s efforts to advance government legislative and regulatory policies that would encourage and support the production, purchase and use of NGVs; incentivize the installation of natural gas fuel pumps at service stations and commercial facilities; support government funding for NGV and infrastructure research and development, and particularly for NGVAmerica, the installation of home refueling infrastructure.

### **Trade association**

EDTA (Electric Drive Transportation Association)

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association’s position**

EDTA is a leading U.S. cross-industry trade association that works with its members to advance electric drive vehicles and technologies, including hybrid, pure battery electric, plug-in hybrid and fuel cell electric vehicles, through public policy advocacy and education. EDTA’s membership includes vehicle manufacturers, equipment manufacturers, energy companies, technology developers, component suppliers, government entities, fleet managers, and end users. The association advocates for U.S. federal and state legislation and policies that would maintain current tax incentives for purchasing electric vehicles and installing electric vehicle charging infrastructure; advance non-financial incentives and initiatives for electric vehicles; extend existing financial incentives for light-duty hybrid and electric vehicles to trucks; standardize regulatory policies and requirements for electric drive vehicles and infrastructure; and maintain U.S. federal support for research and development to accelerate technology breakthroughs for electric drive and other advanced vehicles. EDTA also educates media, policymakers and the public regarding the environmental benefits of electric vehicles.

### **How have you influenced, or are you attempting to influence their position?**

FCA is represented through FCA US as a member of the Association. FCA US supports efforts of the association to establish and advance industry positions on a range of issues to reduce market hurdles and promote the development of an electric vehicle market. This includes support for the association’s efforts to advance U.S. federal and state legislative and regulatory policies that would encourage and support the purchase and use of electric vehicles; the installation of public and home electric vehicle charging infrastructure; and U.S. government funding for electric vehicle and infrastructure research and development. The challenge is to deliver cost-effective, high-value solutions while ensuring the improvement and evolution of internal combustion engines in this rapidly developing technical area. FCA’s business plan reflects our expectation to continue reducing CO2 emissions. The plan anticipates that we will offer electrified propulsion systems (battery electric, plug-in hybrid electric, full hybrid and mild hybrid) in global architectures spanning the full range of vehicle segments. We have confirmed plans to make significant investments in vehicle electrification development, and manufacturing facilities in North America and Italy, to support the growing demand for electrified vehicles. FCA has developed a suite of electrification technologies, including: 12-volt engine stop/ start, 48-volt mild hybrid, high voltage plug-in hybrid, and full battery electric vehicles, all of which offer improvements in fuel economy and a reduction in CO2 emissions.

### **Trade association**

Alliance for Automotive Innovation

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association’s position**

The Alliance for Automotive Innovation was formed by the combination of the Association of Global Automakers (Global Automakers) and the Alliance of Automobile Manufacturers (Auto Alliance). This new entity is dedicated to helping that innovation come to market safely and cleanly. Propelled by the collective energy of the world’s multi-faceted auto industry, they play a major role in transforming personal mobility. Auto Innovators supports federal policy that improves fuel economy and reduces vehicle greenhouse gas emissions as part of a cleaner, safer, smarter future for personal mobility. The organization’s member companies continue to make substantial investments in technologies aimed at these improvements. Auto Innovators supports federal policy that improves fuel economy and reduces vehicle greenhouse gas emissions as part of a cleaner, safer, smarter future for personal mobility. The organization’s member companies continue to make substantial investments in technologies aimed at these improvements.

### **How have you influenced, or are you attempting to influence their position?**

FCA is represented through FCA US as a member of the association. FCA US supports the development of a harmonized U.S. National Program for improving fuel economy and reducing GHG emissions and plays an active role in the association, for example, by participating in working groups, events and contributing to the preparation of technical supporting documents.

### **Trade association**

ACEA (European Automobile Manufacturers Association)

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association’s position**

The European Automobile Manufacturers Association (ACEA) represents the interests of the 16 major Europe-based car, van, truck and bus makers in the EU. Using limited resources responsibly and protecting our environment: these are among the most important tasks facing society today. In both respects, European automobile manufacturers have an important role to play and they are embracing this challenge. Vehicle makers are technology leaders, driving innovation towards cleaner, "greener" transport. Climate change is a global challenge which demands collective action. The automotive sector is playing a leading role, embracing its responsibility to reduce CO2 emissions from vehicles and production. As a result of significant efforts by industry and billions of euros of investments in Research and Development, the sector is on the right path to reducing CO2 emissions. With respect to long-term CO2 targets, the ACEA position is that the 2025 and 2030 targets set by the EU Commission are very ambitious and will require breakthroughs in technologies, a new refueling infrastructure and a swift renewal of the car fleet on Europe’s roads. This will be a tough challenge, and all relevant players will have to combine their efforts, including the fuel and energy sectors and policy makers. It is essential that personal mobility remain affordable, to ensure that new technologies are accepted by the consumer. Market demand will be key in reaching today’s and future targets.

### **How have you influenced, or are you attempting to influence their position?**

FCA is represented on the Board of Directors of ACEA, which interfaces on a regular basis with the major European institutions, FCA has promoted a constructive dialogue with institutions in in the following priority fields: connected and automated driving; competitiveness; international trade; market and economy; environment and sustainability; R&D; safety; and transport policy. FCA is a founding member of the Association and contributes both financially through a membership fee and operationally through the Group experts’ participation in specific working groups and task forces.

### **Trade association**

ANFAEVA (Associacao Nacional dos Fabricantes de Veiculos Automotores )

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association’s position**

In Brazil, the Group has long been an active member of the Associacao Nacional dos Fabricantes de Veiculos Automotores (ANFAVEA). This nationwide association unites the country’s automakers with the purpose of addressing industry and market issues affecting the automotive sector.

### **How have you influenced, or are you attempting to influence their position?**

FCA is represented on the Board of Directors of the ANFAVEA. As a member, FCA engages in constant dialogue with the government to monitor legislation on fuel consumption such as the ROTA2030 program which establishes a minimum average vehicle energy efficiency for 2022 expressed in MJ/km. The goal of energy efficiency of each company will be determined by the mass weighted by sales volume. FCA is a signatory to the ROTA2030 legislation and participates in PBEV, the government’s INMETRO vehicle fuel consumption labeling program. The Group plays an active role in several technical committees and coordinates the Energy and Environmental Commission.

### **Trade association**

AEA (Brazilian Association of Automotive Engineering)

### **Is your position on climate change consistent with theirs?**

Consistent

### **Please explain the trade association’s position**

The Brazilian Association of Automotive Engineering (AEA) is a nonprofit organization that aims to be a neutral forum for discussion on strategic issues relating to national automotive engineering with the direct involvement of the automotive industry, government agencies, educational and research institutions, international organizations and society in general. Currently, the organization has approximately 70 member companies from different segments of the automotive sector that actively participate in technical committees, working groups, workshops, events, courses and projects for the development of the national automotive engineering field.

### **How have you influenced, or are you attempting to influence their position?**

AEA participates, as an independent association, in national discussions on significant topics either for society or for the industry. FCA participates actively in ongoing discussions on the development of new fuels and blends with renewable fuels such as ethanol and biodiesel and coordinates the Committee of Car Emission and Consumption.

## **C12.3e**

### **(C12.3e) Provide details of the other engagement activities that you undertake.**

The Group engages in long-standing collaborations with universities, research centers and other industrial players, through research groups and joint projects. These close ties are instrumental in encouraging creative thinking, rewarding talent and leveraging synergies. Two key examples include our International Dual Master’s Degree Program with Politecnico of Turin (Italy) and the University of Windsor (Canada), and our partnership with McMaster University (Canada). The partnership with McMaster University focuses on developing next-generation, energy efficient, high performance, cost effective electrified powertrain components and control systems suitable for a range of vehicle applications. This collaboration has contributed to technical advancements and the expansion of FCA employee competency and to new employees engaged in the field of hybrid and electric vehicle technologies.

FCA, through CRF, our research center in Europe, plays an active role in the European Technology Platforms. CRF is the focal point for collaborative research programs on topics related to, among others, autonomous driving; connectivity; electrification and eco-driving; lightweighting and materials; and circular economy initiatives. CRF is involved in several collaborative projects. FCA is involved in several stakeholder organizations that support the European Commission with the mission to define priorities and guidelines on mobility research, such as the European Technology Platforms (e.g., ERTRAC for road transport, NANOfuture on nanotechnologies, EuMaT for advanced material and technologies, EPoSS for smart systems integration and MANUFUTURE for manufacturing and production processes), Public-Private Partnerships (e.g., European Green Vehicle Initiative, Factories of the Future) and research and development organizations (e.g., EUCAR, the European Council for Automotive R&D).

FCA also collaborates as a Group on research projects with key institutions across the North America region. FCA US is also member of the United States Council for Automotive Research (USCAR), a collaborative technology organization aimed at strengthening the technology base of the U.S. auto industry through cooperative research and development. USCAR is involved, through collaboration, with the United States Automotive Materials Partnership LLC (USAMP) and the United States Advanced Battery Consortium LLC (USABC). USABC has a combination of 31 active and completed battery programs under a U.S. Department of Energy (DOE) cooperative agreement with a budget of $125 million in total expenditures. Additionally, USAMP has a cooperative agreement with DOE for the Low Cost Magnesium Sheet project, with a budget of more than $8 million in total expenditures.

## **C12.3f**

### **(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

The FCA Group is committed to conducting its government and public institution relations including lobbying in accordance with applicable laws and ethics rules as well as in full compliance with the FCA Code of Conduct and any applicable local procedures. The FCA Group aims to contribute positively to the future development of regulations and standards in the automotive industry and in all other sectors related to the mobility of people and goods. The FCA Group’s relations with government agencies and public institutions are managed by duly designated departments such as Institutional Relations and External Affairs. The results of these activities are reviewed by the highest management levels, thus assuring consistency of all engagement activities with the Group’s strategy on multiple topics, including climate change. At the operational level, FCA’s companies and operating regions have their own institutional relations/external affairs departments, with representative offices in key areas of presence (e.g., Brussels for EMEA, Washington D.C. for North America), directly reporting to the respective Chief Operating Officers (COOs). COOs are members of the Group Executive Council (GEC), a group led by the CEO and composed of senior leadership from regional operations, brands, industrial processes, and support/corporate functions. The GEC approves operating guidelines and plays a vital role in ensuring that sustainability efforts are aligned with economic and business objectives. It approves Sustainability Targets, and evaluates their consistency with the Business Plan and strategy. These targets include long term commitments from FCA to fight climate change, such as reducing the CO2 emissions of its products and processes. FCA believes that effective, long-lasting results to address climate change can only be achieved through an integrated approach involving energy producers, manufacturers (including suppliers), academia, consumers, government and the financial community. The value of continual multi- stakeholder engagement on material aspects such as CO2 emissions is leveraged and maximized by sector memberships and collaboration with public institutions.

In Europe, the Group belongs to trade associations such as ACEA for passenger cars and commercial vehicles. FCA is also a member of NGV Italy, NGVA Europe and NGV America. FCA participates in working groups such as the ERT for industrial leaders. In the U.S., the Alliance for Automotive Innovation is the leading advocacy group for the U.S. auto industry. The organization provides FCA US and the auto industry with a united voice on U.S. federal and state regulatory, and legislative matters. In Brazil, FCA is an active member of the Associação Nacional dos Fabricantes de Veículos Automotores (ANFAVEA). This association addresses industry and market issues affecting the sector as well as coordinates/protects collective interests of its members. FCA engages in constant dialogue with government to monitor legislation on fuel consumption. Currently Brazil’s ROTA2030 program establishes a minimum average vehicle energy efficiency for 2022 expressed in MJ/km. The goal of energy efficiency of each company will be determined by the mass weighted by sales volume. FCA is a signatory to the ROTA2030 legislation and participates in PBEV, the government’s INMETRO vehicle fuel consumption labelling program. In China, FCA plays an active role across the APAC region, consistent with our overall climate change strategy. FCA is also a member of the China Association of Automobile Manufacturers (CAAM). CAAM is a leading group aimed at facilitating the communication between the Chinese government and the automotive industry. This group promotes the development of the automotive industry in China, leveraging its main functions such as policy research, information service, international communication and exhibition service.

The Group product portfolio, technological solutions and R&D activities are the best examples of how the Company pursues its responsibility against climate change. In general, the definition of regulations for CO2 emission limits in the various regions aligns with FCA product strategy focused primarily on the development of increasingly efficient technologies for conventional engines; the expansion of the use of alternative fuels (such as natural gas and biofuels); the development of alternative propulsion systems (such as hybrid or electric solutions).

## **C12.4**

### **(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

### **Publication**

In mainstream reports

### **Status**

Complete

### **Attach the document**

[FCA\_2019\_Annual\_Report.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/jGDIam4Nv02H4ybRFVE8Qw/FCA2019AnnualReport.pdf)

### **Page/Section reference**

Contents related to climate change and CO2 emissions can be found at, but are not limited to, pages 8-9, 25-29, 41-44, 74, 85, 149-152, 158, 160 and refer to the sections: Message from the Chairman and the CEO; Overview of Our Business; Environmental and Other Regulatory Matters; Risk Management; Risk Factors; Non-Financial Information.

### **Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

### **Comment**

FCA Annual Report is usually published in February and then presented in the Annual General Meeting (AGM), usually in April. This year, due to pandemic emergency, AGM has been postponed to June.

### **Publication**

In voluntary sustainability report

### **Status**

Complete

### **Attach the document**

[FCA\_2019\_Sustainability\_Report.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/uFNSmL4cski308xT8n4FWw/FCA2019SustainabilityReport.pdf)

### **Page/Section reference**

Content related to climate change and CO2 emissions can be found at, but are not limited to, pages 6, 8, 11, 13-16, 24, 28-30, 39, 42, 44, 52, 69-78, 96-98, 101, 106, 122, 125-129, 132-133, 138 and refer to the sections: Message from the Chairman and the CEO; Business Model and Value Chain; Materiality and Stakeholder Engagement; Sustainability Targets; Corporate Governance; Risk Management; Efficient Powertrains and Technologies; Production; Responsible Sourcing; Supplemental Information.

### **Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

### **Comment**

FCA Sustainability Report is published and presented annually in the Annual General Meeting (AGM), usually in April. This year it was published in April but, due to pandemic emergency, it will be presented in June, during the postponed AGM.

### **Publication**

In voluntary communications

### **Status**

Complete

### **Attach the document**

[FCA\_2019\_Voluntary\_Communication.pdf](https://www.cdp.net/en/formatted_responses/files?file_path=k9me76vz7u2sozvqoi2gbw-cdp-credit360-com/6YZeK_uSdUGlSEkKkgn5Tw/FCA2019VoluntaryCommunication.pdf)

### **Page/Section reference**

Content related to climate change and CO2 emissions can be found at pages 1 and 2. This publication of November 2019 can also be found in FCA Corporate website at https://www.fcagroup.com/en-US/media\_center/insights/Pages/jeep\_compass\_and\_renegade\_hybrid.aspx

### **Content elements**

Emissions figures

### **Comment**

This publication of November 2019 can also be found in FCA Corporate website at https://www.fcagroup.com/en-US/media\_center/insights/Pages/jeep\_compass\_and\_renegade\_hybrid.aspx

## **C15. Signoff**

## **C-FI**

### **(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

CERTAIN DEFINED TERMS

In this report, unless otherwise specified, the terms “we”, “our”, “us”, the “Group”, the “Company” and “FCA” refer to Fiat Chrysler Automobiles N.V., together with its subsidiaries and its predecessor prior to the completion of the merger of Fiat S.p.A. with and into Fiat Investments N.V. on October 12, 2014 (the “2014 Merger”, at which time Fiat Investments N.V. was renamed Fiat Chrysler Automobiles N.V., or “FCA NV”), or any one or more of them, as the context may require. References to “Fiat” refer solely to the Fiat brand and “Fiat S.p.A.” refer to Fiat S.p.A., the predecessor of FCA NV prior to the 2014 Merger. References to “FCA US” refer to FCA US LLC, formerly known as Chrysler Group LLC, together with its direct and indirect subsidiaries. All references in this report to “Euro” and “€” refer to the currency issued by the European Central Bank. The Group’s financial information presented in Euro. All references to “U.S. Dollars”, “U.S. Dollar”, “U.S.$” and “$” refer to the currency of the United States of America (“U.S.”).

FORWARD-LOOKING STATEMENTS

Statements contained in this report, particularly those regarding possible or assumed future performance, competitive strengths, costs, dividends, reserves and growth of FCA, industry growth and other trends and projections and estimated company earnings are “forward-looking statements” that contain risks and uncertainties. In some cases, words such as “may”, “will”, “expect”, “could”, “should”, “intend”, “estimate”, “anticipate”, “believe”, “remain”, “on track”, “design”, “target”, “objective”, “goal”, “forecast”, “projection”, “outlook”, “prospects”, “plan”, or similar terms are used to identify forward-looking statements. These forward-looking statements reflect the respective current views of the Group with respect to future events and involve significant risks and uncertainties that could cause actual results to differ materially.

These factors include, without limitation:

• our ability to launch products successfully and to maintain vehicle shipment volumes;

• changes in the global financial markets, general economic environment and changes in demand for automotive products, which is subject to cyclicality;

• changes in local economic and political conditions, changes in trade policy and the imposition of global and regional tariffs or tariffs targeted to the automotive industry, the enactment of tax reforms or other changes in tax laws and regulations;

• our ability to expand certain of our brands globally;

• our ability to offer innovative, attractive products;

• our ability to develop, manufacture and sell vehicles with advanced features, including enhanced electrification, connectivity and automated driving characteristics;

• various types of claims, lawsuits, governmental investigations and other contingencies affecting us, including product liability and warranty claims and environmental claims, investigations and lawsuits;

• material operating expenditures in relation to compliance with environmental, health and safety regulations;

• the intense level of competition in the automotive industry, which may increase due to consolidation;

• our ability to complete, and realize expected synergies following completion of, our proposed merger with Peugeot S.A., including the expected cumulative implementation costs;

• exposure to shortfalls in the funding of our defined benefit pension plans;

• our ability to provide or arrange for access to adequate financing for our dealers and retail customers, and associated risks related to the establishment and operations of financial services companies, including capital required to be deployed to financial services;

• our ability to access funding to execute our business plan and improve our business, financial condition and results of operations;

• a significant malfunction, disruption or security breach compromising our information technology systems or the electronic control systems contained in our vehicles;

• our ability to realize anticipated benefits from joint venture arrangements in certain emerging markets;

• our ability to successfully implement and execute strategic initiatives and transactions, including our plans to separate certain businesses;

• disruptions arising from political, social and economic instability;

• risks associated with our relationships with employees, dealers and suppliers;

• increases in costs, disruptions of supply or shortages of raw materials;

• developments in labor and industrial relations, including any work stoppages, and developments in applicable labor laws;

• exchange rate fluctuations, interest rate changes, credit risk and other market risks;

• political and civil unrest;

• earthquakes or other disasters; and

• other factors discussed elsewhere in this report.

Furthermore, in light of the inherent difficulty in forecasting future results, any estimates or forecasts of particular periods that are provided in this

report are uncertain. We expressly disclaim and do not assume any liability in connection with any inaccuracies in any of the forward-looking statements in

this report or in connection with any use by any third party of such forward-looking statements. Actual results could differ materially from those anticipated

in such forward-looking statements. We do not undertake an obligation to update or revise publicly any forward-looking statements.

PLEASE NOTE: all information reported in this document relates to FCA as a whole, unless otherwise indicated; the term "FCA US" is used to identify "FCA US LLC" (formerly known as "Chrysler Group LLC"), together with its direct and indirect subsidiaries. Unless otherwise specified, the terms “FCA”, or simply “Group” are used to identify Fiat Chrysler Automobiles N.V., together with its direct and indirect subsidiaries. Consistent with the reporting format used for the 2019 Sustainability Report and Annual Report, some of the required information is broken down by company/operating segment. Accordingly, beginning in Quarter 1 2012, the operations of mass-market vehicles are attributed to the four Regions: EMEA (Europe, the Middle East and Africa), North America (U.S., Canada and Mexico), LATAM (South and Central America), APAC (Asia Pacific). For additional details see FCA 2019 Annual Report at the link: <https://www.fcagroup.com/en-US/investors/financial_regulatory/financial_reports/Pages/2019.aspx>

WHEN NEEDED FOR SPACE LIMITS in comment boxes, we used abbreviations as follows: FCA = Fiat Chrysler Automobiles; MM = Magneti Marelli; WCM = World Class Manufacturing; EMS = Environmental Management System; EnMS = Energy Management System; AR = Annual Report; SR = Sustainability Report; ST = Sustainability Team; CSR = Corporate Social Responsibility; SSSA = Supplier Sustainability Self Assessment; ACEA = European Automobile Manufacturers’ Association; NGV= Natural Gas Vehicle; CNG=Compressed Natural Gas; FFV= Flexible-Fuel Vehicles; ERT=European Round Table; IACS=International After Sales Customer Satisfaction Survey. When discussing vehicles sold in the U.S., reference is often made to Model Year (MY) meaning the year used to designate a discrete vehicle model, irrespective of the calendar year in which the vehicle is actually produced, provided that the production period does not exceed 24 months.

## **C15.1**

### **(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

|  |  |  |
| --- | --- | --- |
|  | **Job title** | **Corresponding job category** |
| Row 1 | Group Executive Council (GEC) member, Chief Audit, Sustainability and Compliance Officer (functionally equivalent to CSO) of FCA N.V. The GEC is a decision-making body at FCA. | Chief Sustainability Officer (CSO) |