2018 SUSTAINABILITY REPORT

FCA

FIAT CHRYSLER AUTOMOBILES

CONTENTS

MESSAGE FROM THE CHAIRMAN AND THE CEO

We want to thank everyone in the FCA organization for their professional and personal contributions, during what was an extraordinary year.

Thanks to them, we finished 2018 in the strongest financial position since FCA was created. We achieved record results and a number of significant milestones, which have paved the way for our next phase of growth and profits.

The year was also marked by a sudden and unexpected change in leadership following the untimely passing of Sergio Marchionne.

That was a tough moment for all of us, including on a personal level, but our organization was well prepared to manage this unexpected transition because, from the very beginning, Sergio had the humility and wisdom to see that the ultimate fulfillment of his role as a leader was to teach those around him also to be leaders.

Notwithstanding the difficult circumstances, we were able to move rapidly, ensuring stability in leadership and steadiness of vision.

Keeping in mind where we came from and the journey that has brought us thus far, we will carry this organization forward with a very clear vision of what it takes to achieve our ambitions.

We firmly believe that we have the depth and breadth of talent and skills we need to shape the future of this organization exactly as we envision it: a company with a global horizon and unlimited possibilities, working to become one of the most profitable automakers in the world.

This vision draws its strength from the collective spirit of our people - united by the same strong commitment to the values that drive our business and our lives: integrity and discipline, openness to feedback and constructive debate, and full acceptance that we are each accountable.

In 2018, we reached a net cash position for the very first time. Industrial free cash flows more than doubled to €4.3 billion[(1)], leading to a net industrial cash position of €1.9 billion[(1)] at year-end.

On that basis, the Board of Directors is recommending, for the first time in nearly ten years, to reward our shareholders with the reinstatement of ordinary dividends.

[(1)] Including Magneti Marelli, which is classified as a discontinued operation for the year ended December 31, 2018.

The agreement to sell Magneti Marelli, a transaction which is expected to close in the second quarter of 2019, will create one of the world's leading independent automotive component suppliers, recognizing the full strategic value of our components business. Not only will it provide a secure and exciting future for Magneti Marelli and its employees but it will also allow us to further strengthen our balance sheet and reward our shareholders with an extraordinary dividend.

Our consistently strong performance has resulted in ratings upgrades from each of the three major credit rating agencies.

Adjusted EBIT for the year came in at a record €7.3 billion[1].

Adjusted net profit climbed 34 percent to a record level of €5.0 billion[1] and net profit was up 3 percent to €3.6 billion[1].

Worldwide combined shipments totaled 4.8 million units and net revenues were up 4 percent to €115.4 billion[1].

Looking at our mass-market operations by region, NAFTA posted a strong performance, attaining a record high in Adjusted EBIT, up 19 percent at €6.2 billion, with a margin of 8.6 percent. In the United States, we reported the highest retail sales in 17 years, with both Jeep and Ram brands hitting new records. We also completed the most complex and intensive phase of the realignment of our manufacturing footprint in the Region, in response to a continued shift in demand towards trucks and SUVs.

LATAM posted robust growth with Adjusted EBIT more than doubling from the previous year to €359 million and margin increasing by 250 basis points to 4.4 percent. In Brazil, we finished the year in a leading position in three of the most important segments - pickups, light commercial vehicles and SUVs - while in Argentina we improved our market share despite the severe economic crisis in the second half of the year.

Results in APAC were disappointing, Adjusted EBIT showed a loss of €296 million, impacted by trade and regulatory challenges due to market weakness and increased competition and reflecting lower shipments from our Chinese joint venture.

In EMEA, performance was adversely affected by several factors, including the transition to new emissions regulations. Lower volumes and pricing actions in response to this transition, as well as higher advertising costs to support the growth of Jeep brand, led to a decrease in Adjusted EBIT to €406 million. Net revenues came in at €22.8 billion, in line with prior year.

There was also a positive contribution from Maserati, although the results were below the 2017 level, primarily due to market challenges in China, as well as inventory management actions and lower volumes in North America and Europe.

On the product side, we increased our offering with several key vehicle launches.

Jeep launched: the all-new Grand Commander in China, a premium seven-passenger SUV exclusive to the Chinese market; the all-new Wrangler in Europe and Japan; the new Cherokee in Europe, China and Japan; the new Renegade in LATAM. The all-new Gladiator, the most capable mid-size pickup truck, made its worldwide debut at the Los Angeles Auto Show.

Alfa Romeo revealed the new Stelvio and Giulia Quadrifoglio Nürburgring limited editions, with 108 models of each produced to commemorate the 108th anniversary of the brand.

At the New York International Auto Show, Maserati debuted the Levante Trofeo V8 which will be sold in markets around the world.

Ram launched the all-new 1500, which has already won two of the most prestigious awards in North America: 2018 North American Truck of the Year (NACTOY) and Motor Trend Truck of the Year.

And we began 2019 with the reveal of the all-new Ram Heavy Duty at the North American International Auto Show in Detroit.

As part of our commitment to stay at the forefront of the rapid technological changes that are transforming our industry, we are pursuing a multi-partner strategy for the development of advanced driver assistance and autonomous driving technologies, working with companies who are leaders in their respective sectors.

With Waymo, Google's self-driving car project, we further strengthened our partnership in 2018, announcing an agreement to deliver up to an additional 62,000 Chrysler Pacifica Hybrid minivans to support the launch of the first autonomous-car taxi service. We also dedicated a new facility at our Chelsea Proving Grounds in the United States for further development and testing of autonomous vehicles and advanced safety technologies.

In addition, we are partnering with BMW for Level 3 autonomy and APTIV for advanced driver assistance retail solutions, as these initiatives provide the opportunity to fully leverage the capabilities of each partner.

We believe that choosing the right technology at the right moment is key to our ability to lead the way in the future of transportation, especially now as emerging technologies are revolutionizing the concept of personal mobility.

We are ready to tailor both the technologies and the platforms not only to meet but also to shape that new vision.

[1] Including Magneti Marelli, which is classified as a discontinued operation for the year ended December 31, 2018.

The other significant technological shift that we are likely to see in the near future is related to electrification, which we also addressed in our business plan. Our expectation is to continue reducing CO_2 emissions through a combination of technologies aligned to the vehicle mix, consumer needs and regulatory framework in each market. By 2022, we intend to offer 12 electrified propulsion systems on global architectures spanning the full range of vehicle segments and over 30 vehicle nameplates with electrified solutions.

The objectives we have set for the future, together with the significant steps already taken, are clear evidence of our business principles and determination to ensure that the achievement of financial targets goes hand-in-hand with respect for all stakeholders.

Among our sustainable initiatives in 2018, we implemented around 5,000 environmental projects at our plants around the world, reducing our carbon footprint per vehicle produced by 27 percent compared with 2010 and reducing waste generated per vehicle produced by 62 percent compared with 2010.

Our corporate citizenship efforts are rooted in the FCA Code of Conduct and are aligned with the United Nations Sustainable Development Goals.

We strive to enrich the vitality of the communities where we live and work by creating jobs, giving back through employee volunteering and providing financial support through our charitable initiatives.

During 2018, Group employees around the world volunteered thousands of hours in support of a wide range of social projects.

We also aim to offer our employees an inclusive work environment, where everyone feels respected and valued, and we are proud to have our efforts recognized by organizations such as the Thomson Reuters D&I Index, which included FCA among the top 100 most diverse and inclusive organizations in the world.

We decided to name our FCA Student Achievement Awards in honor of Sergio Marchionne, which is a way to reaffirm his principles and beliefs by supporting the most talented and deserving children of our employees.

The results we achieved, in terms of both growth and value, were possible because of what FCA is today.

We are a strong, competitive group that possesses some of the most innovative technologies and one of the most extensive product ranges and strongest brands in the world.

We are a flexible yet cohesive group, with a global footprint, and solid enough to cope with any unexpected changes in market conditions.

We wish to thank all of our shareholders and stakeholders for your support, whether you have been with us for many years or just a few months. Your trust is fundamental for FCA as we embark on the next phase of our development.

February 22, 2019

/s/John Elkann	/s/Mike Manley
John Elkann CHAIRMAN	Mike Manley CHIEF EXECUTIVE OFFICER

02

BUSINESS MODEL AND GOVERNANCE

BUSINESS MODEL AND VALUE CHAIN

Fiat Chrysler Automobiles is a global automotive group engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems worldwide through 102 manufacturing facilities and 46 research and development centers. The Group's automotive brands are: Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram, Maserati, the SRT performance vehicle designation and Mopar, the parts and service brand.

In addition, FCA operates in the components and production systems sectors under the Teksid and Comau brands. The Group also provides retail and dealer finance, leasing and rental services in support of the car business through subsidiaries, joint ventures and commercial agreements with specialized financing services providers.

FCA has operations in more than 40 countries, customers in more than 135 countries, and business partnerships with suppliers and dealers on a global scale. Due to the complexity of the automotive industry's value chain and product offering, FCA impacts a large number and wide variety of stakeholders. We aim to create value through our relationships and connections with customers, employees, dealers, suppliers and communities, among others. We recognize that our environmental and social activities affect not only our aspiration to grow the business but also our commitment to positively affect our world.

Emerging trends, evolving consumer attitudes and regulatory requirements influence not only which products and services we develop, but also how we develop them. FCA incorporates the concept of a circular economy into our business approach, focusing on reducing waste in every link in the value chain from vehicle design through production, distribution, use and eventual reuse of materials.

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 premium processes and technologies; and the incorporation of circular economy principles in operations. All of these elements are an integral part of FCA's model of operating responsibly.

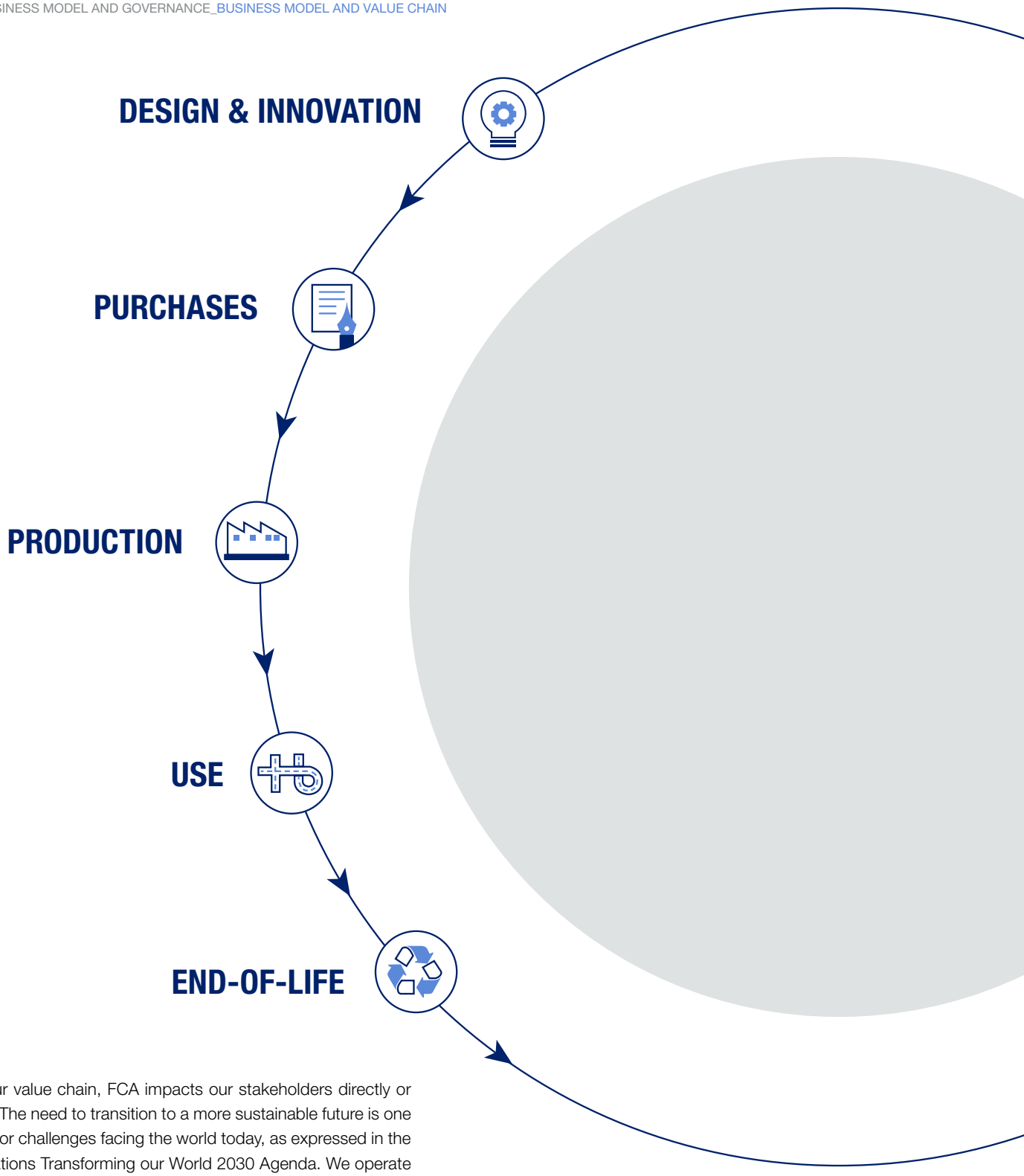
On June 1, 2018, the Group revealed the 2018-2022 business plan with a focus on technology development: autonomous driving, vehicle connectivity and electrification deployment. Among other things, the plan anticipates that we will offer 12 electrified propulsion systems (battery electric, plug-in hybrid electric, full hybrid and mild hybrid) in global architectures spanning the full range of vehicle segments. The plan also anticipates that by 2022, 30 nameplates will feature one or more of these systems.

Our efforts to achieve progress toward the business plan reflects our commitment to create long-term value responsibly, with full recognition of the broader role the Company plays.

To achieve our objectives, the Group targets:

- a governance model based on transparency and integrity
- safe and sustainable products
- a competitive product offering and innovative mobility solutions
- effective communication with consumers
- constructive management and professional development of employees
- safe working conditions and respect for human rights
- mutually beneficial relationships with business partners and local communities
- responsible management of manufacturing and non-manufacturing processes to reduce impacts on the environment.

> "Our efforts to achieve progress toward the business plan reflects our commitment to create long-term value responsibly."



Across our value chain, FCA impacts our stakeholders directly or indirectly. The need to transition to a more sustainable future is one of the major challenges facing the world today, as expressed in the United Nations Transforming our World 2030 Agenda. We operate responsibly to contribute to the relevant United Nations Sustainable Development Goals supporting this Agenda.

The following graphics present a simplified view of the highly complex industry in which FCA competes to illustrate how key tangible and intangible inputs are converted through the Group's business activities, bringing value to the Company, to our customers, to society and to the environment.

DESIGN & INNOVATION

Major impacts

- Innovation in products and processes
- Vehicle safety
- Vehicle fuel economy and emissions
- Vehicle quality
- Customer satisfaction and loyalty
- Product competitiveness and reputation
- Brand perception and value
- Vehicle material composition and end-of-life
- Environmental impact and natural resource consumption in production processes
- Employee health and safety in production processes

Key input

Approx. **€3.5 Billion** in research and development

Value generated and shared

5,726 patents

READ MORE

The following UN Sustainable Development Goals are relevant during this phase of the Value Chain:

PURCHASES

Major impacts

- Indirect employment in third-party operations
- Working conditions for third-party employees
- Local revenue for business partners and communities
- Indirect environmental impact and natural resource consumption
- Innovation of components and processes
- Technological sharing among regions and industries

Key input

2,400+ suppliers globally

Value generated and shared

€70+ Billion in total purchases

READ MORE

The following UN Sustainable Development Goals are relevant during this phase of the Value Chain:

PRODUCTION

Major impacts

- Direct employment
- Local revenue for communities where FCA operates
- Employee safety and working conditions
- Employee development through training
- Environmental impact and natural resource consumption from direct operations
- Process innovation
- Technological and know-how sharing across regions, Group companies and working teams

Key input

198,545 employees working in 102 manufacturing facilities and 46 research centers worldwide, as well as other properties: parts distribution centers, proving grounds, warehouses and office buildings

Around **45 million GJ of energy** consumed at Group plants worldwide

21.7 million m³ of water consumed (withdrawal) at Group plants worldwide

Value generated and shared

€11.7 Billion in personnel costs as compensation for employee time and efforts

3.6 Million tons of CO_2 emissions at Group plants, a decrease of 9% vs 2010

2.3 Billion m³ of water saved at Group plants worldwide with a recycling index of 99%

READ MORE

The following UN Sustainable Development Goals are relevant during this phase of the Value Chain:

USE

Major impacts

- Social impacts on traffic, road safety and access to mobility
- Vehicle fuel consumption and emissions
- Customer satisfaction and loyalty
- Brand reputation and value

Key input

€110 Billion in revenue

Value generated and shared

FCA grants access to mobility for millions of people around the world through **4.8 million** new FCA vehicles delivered to customers

READ MORE

The following UN Sustainable Development Goals are relevant during this phase of the Value Chain:

END-OF-LIFE

Major impacts

- How raw materials are originally sourced
- Environmental impacts of vehicle and battery end-of-life: waste generation, dismantling, recycling, disposal management and remanufacturing

Key input

Vehicles that are discarded by consumers worldwide

Value generated and shared

FCA strives to design and manufacture vehicles with a view toward reparability, recycling and component remanufacturing, in order to extend the useful life of materials and components and reduce the cost of vehicle ownership for customers

READ MORE

The following UN Sustainable Development Goals are relevant during this phase of the Value Chain:

02

MATERIALITY AND STAKEHOLDER ENGAGEMENT

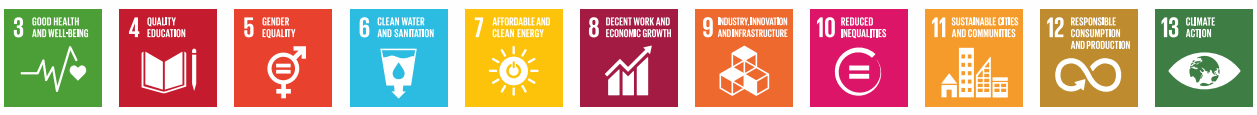
Each year, FCA conducts an analysis of sustainability-related topics which may be considered material to the Company. This analysis combines and involves consideration of input from stakeholder engagement, the FCA business plan, key global risks, corporate values, industry trends, information of interest for investors, and societal standards and expectations. The materiality analysis, as the cornerstone of our continued engagement and dialogue with stakeholders, helps us better understand opportunities and risks.

KEY FIGURES

5,000+
stakeholder surveys completed

27 material sustainability topics

RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)



MATERIALITY AND STAKEHOLDER ENGAGEMENT

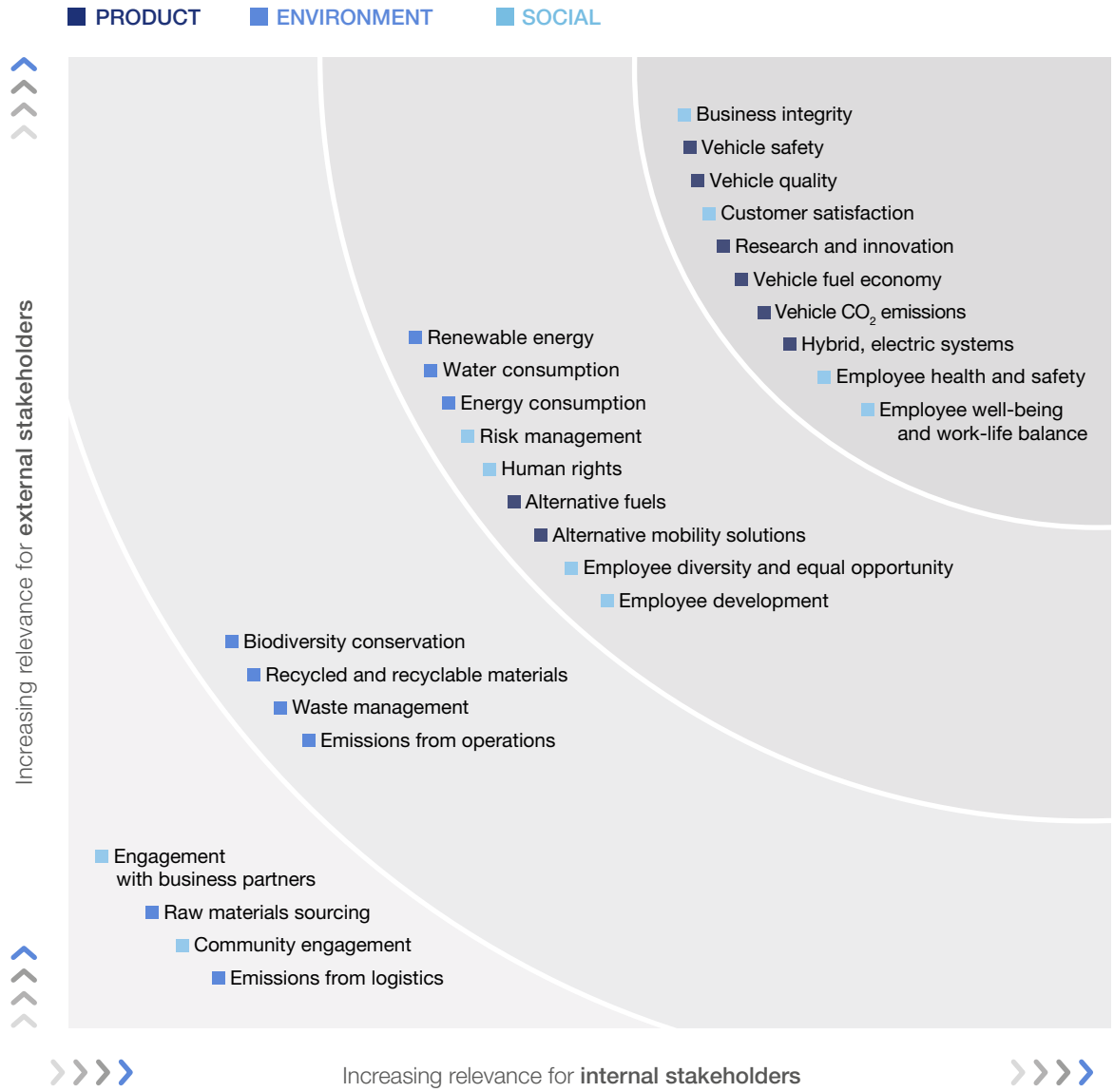
FCA's sustainability reporting focuses on those topics that have been determined to be material, that is, reflecting the organization's significant economic, environmental and social impacts; or substantially influencing assessments and decisions of stakeholders. These topics include the most important factors that relate to, and have an impact on, FCA's ability to create long-term value for our stakeholders.

Our stakeholder engagement and development of materiality are conducted in accordance with internationally recognized frameworks and principles, such as the Global Reporting Initiative (GRI), including the principle of stakeholder inclusiveness; the AA1000 Principles Standard; the AA1000 Materiality Report guidelines; the AA1000 Stakeholder Engagement Standard; and the <IR> Materiality Background Paper.

The Materiality Diagram is reviewed periodically, and was updated for 2018 based on the results of our analysis of material topics. The diagram represents the relative importance of issues for both internal and external stakeholders, helping prioritize issues in our reporting as well as set targets to address the material aspects that have been identified.

More information on material topics, the associated management approach and boundaries are reported in the following chapters of this Report.

FCA MATERIALITY DIAGRAM



FCA's sustainability areas of commitment and most material topics are aligned with the United Nations Sustainable Development Goals (SDGs) and the objectives identified in the internationally-agreed 2030 Agenda for Sustainable Development.

CONNECTIONS WITH UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

FCA's Material Sustainability Topics	Good Health and Well-being	Quality Education	Gender Equality	Clean Water and Sanitation	Affordable and Clean Energy	Decent Work and Economic Growth	Industry, Innovation and Infrastructure	Reduced Inequalities	Sustainable Cities and Communities	Responsible Consumption and Production	Climate Action
Business integrity			■			■		■			■
Vehicle safety	■						■		■		
Vehicle quality							■				
Customer satisfaction											
Research and innovation					■		■		■		■
Vehicle fuel economy							■		■	■	■
Vehicle CO_2 emissions							■		■	■	■
Hybrid, electric systems					■				■		■
Employee health and safety	■										
Employee well-being and work-life balance	■		■			■					
Renewable energy					■					■	■
Water consumption				■			■			■	
Energy consumption					■		■			■	■
Risk management											■
Human rights			■			■		■			
Alternative fuels					■				■	■	■
Alternative mobility solutions							■		■		■
Employee diversity and equal opportunity			■			■		■			
Employee development		■	■			■		■			
Biodiversity conservation										■	
Recycled and recyclable materials										■	
Waste management							■			■	
Emissions from operations							■		■	■	■
Engagement with business partners						■	■			■	■
Raw materials sourcing										■	
Community engagement		■	■			■	■	■	■		
Emissions from logistics									■	■	■

ENGAGING STAKEHOLDERS

Gathering stakeholder input to determine materiality is an ongoing process. As a global enterprise with a complex, intricately connected value chain, FCA engages with a wide range of stakeholders, including employees, customers, suppliers, dealers, institutions, investors, trade unions, associations and local communities. Because they either affect or are affected by our decision-making processes and associated actions, they help us to better identify risks and opportunities, as well as align our objectives to social, technological and regulatory changes around the globe.

Our FCA sustainability-focused Stakeholder Engagement Guidelines form the basis for this continuous dialogue. They help define the goals of the dialogue, set the criteria for identifying and prioritizing stakeholders, and provide a general framework for sustainability-related stakeholder engagement activities.

We annually conduct surveys and stakeholder engagement activities related to sustainability topics, and work to expand and innovate our dialogue with stakeholders in the belief that these activities are an essential part of a robust sustainability program.

In each of the regions where FCA operates, our stakeholder initiatives are adapted to locally relevant topics.

The regional results from our stakeholder engagement survey and events are analyzed to address differences and guide, globally, the review of potential updates in FCA's material sustainability topics.

In 2018, more than 5,000 internal and external stakeholders worldwide completed our revised online survey regarding sustainability topics. We also gathered qualitative data and captured some key topics and concerns through a free text field in the survey, intended to explore new or emerging material topics.

Our "live," or face-to-face, stakeholder events each year reflect our efforts to reach a broad spectrum of key stakeholders of all ages. We work with representatives across FCA to identify which groups or individuals can most effectively help us explore the relevant and material topics we identified for 2018. Below are some examples of our 2018 engagement activities.

Engaging Employees

FCA employees play a particularly vital role in our sustainability efforts and are the focus of several stakeholder engagement activities each year. Our interaction with employees serves a two-fold purpose: to communicate to them the importance of the work they do every day to strengthen FCA's sustainability profile, and to learn potential areas for improvement from them.

Engaging Hourly Plant Workers

To extend the reach of our sustainability messaging, we engaged approximately 700 hourly workers at our Mirafiori plant in Italy through a specially-designed sustainability training event. This training consisted of six modules, each lasting four hours, on FCA's impact related to a wide variety of economic, environmental and social topics. Employees gave the training high marks, when asked to evaluate its effectiveness.

New Employee Orientation

In 2018, FCA conducted a number of activities among our newly-hired employees to promote sustainability awareness and encourage them to become sustainability advocates. A dedicated focus on sustainability was included in new hire orientation sessions and round table talks in various locations.

Sustainability Boulevard - Innovative Training Program

FCA's innovative learning program, the Sustainability Boulevard, was extended into 2018. This virtual platform engaged employees worldwide by testing their sustainability knowledge and offering ways they can contribute to the Company's sustainability profile. The Sustainability Boulevard represents one area, or "district," of our game-based learning project around which new training programs are being developed. Nearly 40,000 employees had the opportunity to participate, with approximately 1,900 actively engaged with the learning game within the platform. In 2018, this initiative received the HR Excellence & Innovation Award. The Award is open to companies operating in Italy with the purpose of disseminating best practices in the workplace and human resource management.

Sustainability Business Challenge

Top performers from the Sustainability Boulevard training were invited in 2018 to participate in a Sustainability Business Challenge offered jointly by FCA's Training Management and Sustainability organizations. This initiative assigned participants from seven countries a real business case related to enhancing FCA's sustainability profile. Through teamwork, the selected employees built connections across several regions and business functions; learned more about FCA's sustainability practices; and developed concrete solutions to communicate FCA's sustainability approach inside and outside the Company, including ideas for employees to contribute directly to FCA's activities. The teams' final proposals were evaluated by a Steering Committee consisting of FCA executives, providing an opportunity for participants to interact with senior management.

Following completion of the Business Challenge, participants were surveyed about their experience. Fully 100% of respondents reported that their understanding of sustainability topics improved during this initiative.

Engaging Youth

Many of FCA's sustainability events are designed to engage youth, particularly millennials, in dialogue about the future of mobility. These activities range from classroom working groups and presentations in high schools and universities, to role-playing exercises. In addition, several departments at FCA regularly reach out to students to engage them in design or science, technology, engineering and math (STEM)-related initiatives.

Summer Intern Event

During 2018, we turned to our student interns for a fresh look on two important topics: the future of mobility and human rights in the supply chain. Student interns represent a rich cross-section of constituents. They are members of our workforce during their internship; they are consumers; they are part of the academic community; and they are future leaders in the public and/or private sectors.

Workshops held in our U.S. technology center served a two-fold purpose: our interns learned about sustainability at FCA, and we, in turn, furthered our understanding of the economic, environmental and social impacts that the Company and our stakeholders are facing. To make things more interesting for all involved, the two events were structured around role-playing.

At the first event, the students broke into teams, with each assuming the identity of a major player in the automotive eco-system: manufacturer, technology or mobility service provider, utility company, community leader and consumer. The challenge was to identify what the business of moving people and goods will look like in 2025 from a variety of perspectives, and evaluate how mobility can more explicitly benefit society. The teams presented a diverse set of ideas focused on bringing affordable, accessible, efficient, safe and enjoyable mobility to a broader consumer base, while easing urban congestion. Among the concepts that were explored were autonomous and connected vehicles, shared rides, partial ownership, electrification and the subscription model.

The second workshop consisted of interns working in our Purchasing and Supply Chain Management organizations, whose challenge was the topic of responsible sourcing, specifically related to the safety and integrity of the global supply chain with respect to potential human rights issues. Our interns learned that FCA believes the responsible procurement of raw materials for our vehicles is essential, even if the source of the raw material is several tiers removed in our supply chain. By taking on the roles of automaker, Tier 1 supplier, sub-Tier supplier, nonprofit organization, and worker, the students examined a multi-stakeholder approach to this issue that involves a collaborative effort among the various industries, regulatory agencies, non-governmental organizations, customers, and suppliers.

Engaging the Supply Chain

Because suppliers represent such an essential element in FCA's value chain, we engage extensively with them on sustainability topics. This engagement includes, among other activities, a dedicated sustainability class as a component of Supplier Training Week; one-on-one benchmarking and mentoring; and coordinating peer-to-peer coaching activities. Topics include aspects of FCA's expectations for suppliers, including responsible working conditions, environmental impact, ethics, and tools for reporting to FCA.

In Brazil, FCA conducted training with leading suppliers on climate change and greenhouse gas inventory. We also participated in an initiative promoted by the industry association FIEMG in partnership with FCA in the State of Minas Gerais, aimed at strengthening the automotive industry. This project focused on helping to increase productivity and competitiveness among micro- and small-sized companies within the automotive supply chain.

> "We turned to our student interns for a fresh look on two important topics: the future of mobility and human rights in the supply chain."

Engaging Investors

Capital Markets Day

In June 2018, FCA's leadership presented our 2018-2022 business plan to the financial community in Balocco (Italy). This day-long event, called Capital Markets Day, represented a key milestone for FCA as we communicated our expectations regarding financial targets and the solutions that will help us reach these targets, including electrification, vehicle connectivity and autonomous technology.

FCA's commitment to sustainability was integrated into the themes and activities for the day:

- 500 trees planted on-site to mark the occasion
- brochure distributed to communicate our achievements and commitments
- display area dedicated to sustainability, including low-emission vehicles and technology.

> "Capital Markets Day represented a key milestone for FCA."

Engaging Associations and Institutions

FCA's approach to engaging public institutions, industry associations, and other organizations aims to make a positive contribution to business conditions that are competitive, as well as sustainable over the long term.

In Europe, the Group belongs to trade associations such as the European Automobile Manufacturers' Association (ACEA) for passenger cars and commercial vehicles. ACEA represents manufacturers with production sites in the European Union (EU). The Association's mission is to define common interests, policies and positions in the framework of a dialogue with European institutions and other stakeholders. In addition, ACEA is engaged in communication activities about the role and importance of the automotive sector for the entire EU economy, and undertakes a strategic reflection on global sustainable mobility challenges. FCA is a founding member of the Association and contributes both financially through a membership fee and operationally through our experts' participation in working groups and task forces related to these priority areas: connected and automated driving; competitiveness, market and economy; environment and sustainability; international trade; research and innovation; safety; and transport policy.

The Auto Alliance is a U.S.-based trade association representing 12 automakers. The group's mission is to promote policies that support automakers in building cars and light trucks that are safe, reliable, energy efficient, clean and smart. The organization provides a unified voice on behalf of FCA US and the U.S. auto industry on regulatory and legislative matters at the federal and state levels.

In Brazil, the Group has long been an active member of the Associação Nacional dos Fabricantes de Veículos Automotores (ANFAVEA). This nationwide association unites the country's automakers with the purpose of addressing industry and market issues affecting the automotive sector as well as coordinating and protecting the collective interests of the association's members.

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.

SUSTAINABILITY TARGETS

Our analysis of material topics, including input from key stakeholders, contributes to the development of long-term sustainability-focused targets.

These targets cover priority areas for FCA, such as quality and safety of vehicles; environmentally responsible products, plants and processes; good corporate governance; a healthy, safe and inclusive work environment; respect for human rights and dignity; and constructive relationships with local communities and business partners.

FCA establishes sustainability-focused targets and monitors progress toward achievement through a three-phase approach:

In the 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 Group Executive Council (GEC) which evaluates their consistency with the business plan and strategy, and either approves or modifies the targets.

During the 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.

The 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.

SUSTAINABILITY COMMITMENTS

Corporate Governance and Values
Foster a path of resilience and growth in response to Environmental, Social and Governance aspects

Information and Communication Technology
Implement innovative solutions to support competitive business activities

Employees
Attract, develop and retain the best employees through inclusion, engagement, challenge and reward

Occupational Health and Safety
Strive for a zero injury rate and to maximize employee health and well-being

Community
Support social inclusion and cultural and economic development in local communities

Product
Minimize environmental impacts from our products by reducing CO_2 emissions and improving fuel economy

Offer new services that improve the mobility experience and provide greater access to affordable solutions

Assess and manage environmental impacts throughout the entire product life cycle

Customer Focus
Improve vehicle preventive, active and passive systems and overall road safety performance

Offer competitive products that meet the needs of customers worldwide

Strengthen relationships with customers worldwide and achieve higher satisfaction levels

Production
Optimize environmental performance of production processes

Suppliers
Promote social and environmental responsibility among suppliers

Logistics
Deliver goods and vehicles on time while reducing the environmental impact of logistics

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

CORPORATE GOVERNANCE AND VALUES

Commitment: foster a path of resilience and growth in response to Environmental, Social and Governance aspects

Targets	2018 Results
2020: demonstrate continued relevance of Group's sustainability performance to financial and non-financial stakeholders through global and regional recognition	✓ FCA's sustainability performance related to product, process and social aspect management recognized at the global and regional levels, including: - Earned score of A- on CDP Climate Change assessment - Earned score of B on CDP Water assessment - Member of the following sustainability indexes: STOXX Global ESG Impact, ECPI World ESG Equity, ECPI Euro Ethical Equity, and ECPI Global Developed ESG Best-in-Class Equity. - FCA included in the Global Diversity and Inclusion Index of Thomson Reuters - Named to Top 50 U.S. Companies for Hispanic Women, by Latina Style magazine - FCA US named Top Corporation for advancing women-owned businesses - 2018 Chrysler Pacifica Hybrid awarded Best Environmental Performance and Best All-around Performance Awards from Automotive Science Group - 2018 Chrysler Pacifica Hybrid named Plug-in Hybrid Electric Category Winner in 2018 Canadian Green Car Awards - Pentastar V-6 engine with eTorque mild hybrid system named as one of Wards 10 Best Engines ✓ Among the shareholdings held by FCA's top 200 institutional shareholders, 54% are held by investors that are considered as Highly or Medium ESG sensitive[1]
2020: expand and innovate dialogue on sustainability topics to reach an increasing number of internal and external stakeholders worldwide	✓ More than 5,000 internal and external stakeholders completed online sustainability survey ✓ Approx. 1,900 employees actively engaged in the Sustainability Boulevard innovative virtual learning game. Roughly 300 comments posted on the Sustainability Wall since its launch ✓ Sustainability-focused stakeholder engagement events held in all FCA regions worldwide, with the number of participating stakeholders, internal and external, at each event ranging from 20 to 700
2020: incorporate sustainability targets in individual performance goals to drive behaviors in support of sustainability culture and values	✓ Sustainability targets incorporated in performance management system for individuals with responsibility for related projects, Top Management members and second-level reports to Heads of operating sectors and certain central functions
2020: adopt, maintain and improve systems and processes designed to eliminate human rights related risks across the Group and implement remedial actions, in accordance with local constraints and requirements	✓ The human rights self-assessment checklist was included as part of the standard internal audit process, with a coverage of 74% of the FCA workforce worldwide
2020: prevent and manage emerging risks to ensure business continuity and minimize economic, environmental and social impacts, both internal and external	✓ Flood risk analysis applied at 136 Group sites worldwide and second level flood studies conducted at 19 ✓ Developed and tested at 52 supplier sites the methodology for detection and mitigation of supplier risks ✓ Assessed 237 parking lots in 35 countries with respect to potential damage risk ✓ Strategy to broaden the loss prevention horizons grew, with new cyber, tornado and product liability projects launched ✓ Insurable environmental exposures assessed and quantified through 68 self-assessed sites, and 23 ad hoc on-site visits conducted

[1] Based on data obtained from an independent third-party market intelligence firm and its assessment of investors' ESG sensitivity based on public information available as of December 31, 2018.

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

INFORMATION AND COMMUNICATION TECHNOLOGY

Commitment: implement innovative solutions to support competitive business activities

Targets	2018 Results
2020: support FCA digital transformation for smart manufacturing, digital workplace and virtual sales experience	Increase in efficiency through process innovation and technology advancements: - Implemented secure cloud solutions for an increased digital workplace, enabling enhanced collaboration within and between teams, while supporting flexibility and efficiency - Launched multiple projects to enhance the customer experience through innovative solutions leveraging virtual and augmented reality READ MORE

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

EMPLOYEES

Commitment: attract, develop and retain the best employees through inclusion, engagement, challenge and reward

Targets	2018 Results
2020: leverage diversity as a key asset and monitor equal opportunity implementation worldwide through Human Resources processes, to build a complete skill set and value everyone's contribution	✓ FCA listed in the 2018 Thomson Reuters Diversity & Inclusion Index ✓ Approx. 6,000 internal mobility opportunities made available to FCA salaried and hourly employees worldwide through a variety of channels, including job posting programs ✓ Diverse perspectives, best practices, success stories, professional knowledge and expertise shared across regions through international deployment of approx. 300 expatriates ✓ More than 24% of new hires were women, contributing to the steady increase of female representation in FCA's workforce ✓ Approx. 17% of managerial positions held by women, compared with 16% in 2017
2020: increase work-life balance opportunities to maximize employee satisfaction and effectiveness	✓ Variety of company programs made available to employees representing opportunities to balance their work and personal life, foster professional effectiveness and increase well-being
2020: strengthen local community involvement through regional implementation of corporate volunteer programs, based on local needs, policies and constraints	✓ Approx. 22,000 employees volunteered worldwide to support local communities, devoting roughly 174,000 hours during work time, representing an estimated support of €5.3 million from FCA[1]
2020: conduct people satisfaction surveys on a regular basis to monitor and improve effectiveness in talent acquisition, development and retention	✓ People satisfaction surveys conducted globally: - approx. 20,700 hourly and salaried employees involved - survey results and key findings under evaluation for development of appropriate actions
2020: provide long-term, performance-related incentive plans and development programs at the regional level, in accordance with local requirements and constraints	✓ Approx. 63,000 employees eligible for additional variable pay component defined by trade union agreements upon achievement of the financial targets established in the 2015-2018 period of the business plan ✓ Approx. 5,600 employees participated in exchange programs between FCA regions and companies, high-level training, or MBA Executive programs
2020: develop new initiatives and channels to increase employee contribution to the Group's sustainability profile	✓ Employees contributed approx. 2.4 million suggestions to improve business products and processes, increase efficiency and reduce costs ✓ Developed innovative virtual learning game to increase employee awareness and engagement on sustainability and encourage employees to contribute to FCA's sustainability efforts and results; game made available to 40,000 employees worldwide READ MORE

[1] This figure is an estimate that considers total personnel costs, total employees and assumptions on total working days and hours.

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

OCCUPATIONAL HEALTH AND SAFETY

Commitment: strive for a zero injury rate and to maximize employee health and well-being

Targets	2018 Results
2020: achieve continued reduction in injury Frequency and Severity Rates, with ultimate goal of zero lost time injuries for all Group plants	Reduced Frequency Rate for the 12th consecutive year with 0.07 injuries per 100,000 hours worked (-22% vs 2017 and -84% vs 2010) Severity Rate remained stable after 11 consecutive years of reduction, with 0.03 days of absence due to injuries per 1,000 hours worked (-77% vs 2010)
2020: expand Health Promotion Program (HPP) to all plants worldwide, in line with local needs and constraints, to promote healthy lifestyles and safe working environment	HPP available in 78 plants, with focus on smoking cessation, nutrition education and promotion of a preventive culture through health and/or medical checks
2020: achieve OHSAS 18001 certification for all Group plants operating worldwide	94 plants certified to OHSAS 18001, covering approx. 96% of manufacturing employees

READ MORE

COMMUNITY

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

Commitment: support social inclusion and cultural and economic development in local communities

Targets	2018 Results
2020: serve as a catalyst to help enhance the self-sustaining social-economic development of local communities	✓ Local development opportunities and positive impacts generated in Brazil by the Árvore da Vida program: - more than 22,400 individuals reached from 2004-2018 - about €200,000 invested in 2018 - social and cultural initiatives continued in partnership with local network representatives ✓ FCA contributed to public school improvements in Brazil through the Rota do Saber program: - about 250 schools involved - about 60,000 students and 2,000 teachers reached in the period 2015-2018 - more than €1.3 million invested in 2018 ✓ Contributions to the United Way from FCA, FCA employees, the FCA Foundation and special events totaled approx. €8.4 million ✓ Hygiene conditions improved through the School Sanitation Program in India since 2014: - 144 government schools involved - more than 18,700 students benefited - 872 toilet facilities built - awareness programs on health and hygiene provided
2020: advance youth education and training, with particular emphasis on science, technology, engineering and math programs, including initiatives that address innovation, mobility and environmental issues	✓ Agreement between FCA and Politecnico of Turin (Italy) for the period 2014-2018: more than €1.6 million contribution granted to support the Automotive Engineering master degree course in 2018 ✓ Project and People Management summer schools in Shanghai, Industrial Automation Master, Voluntary Educational Programs delivered by Comau to high-potential students from universities worldwide ✓ Innovative training courses on digital transformation and robotics launched by Comau in Italy: - more than 1,500 primary and secondary school students participated in e.DO Experience program, aimed at reinforcing robotics and STEM skills - 3,500 secondary students achieved their Robotics License for the development and certification of robotic use and programming skills ✓ More than 5,000 students from disadvantaged areas trained worldwide through the TechPro^2 project ✓ Approx. €467,000 in grants from FCA Foundation to support *FIRST* programs: 120 teams at the high school and middle school levels supported by nearly 100 FCA employee mentors in the U.S. and Canada ✓ Voluntary Educational Program, in the form of classroom courses, workshops and summer school, offered with trainers and tutorship provided by FCA specialists and managers for a total of 108 hours, of which 40 focused on environmental sustainability aspects ✓ Approx. 3,000 children of FCA employees involved in summer camp programs across Europe, including a focus on environmental awareness READ MORE

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

PRODUCT

Commitment: minimize environmental impacts from our products by reducing CO_2 emissions and improving fuel economy

Targets	2018 Results
2020: achieve 40% reduction in CO_2 emissions vs 2006 [1] for mass-market cars sold in Europe, according to EU regulation requirements	✓ Reduced CO_2 emissions in Europe by 17% vs 2006 and by 23% vs 2000, while increasing product portfolio of mass-market cars ✓ 65% of FCA cars sold in Europe recorded emissions less than 130 g CO_2/km
2020: achieve at least 5% to 15% improvement in fuel economy[2] for major renewals of FCA US vehicles compared with replaced vehicles/models	✓ Fuel economy improvements of new vs replaced vehicles/models: - 2018 Jeep Wrangler 2.0-liter turbocharged with eTorque: ranging from +22.2% to +33.3% - 2019 Ram 1500 3.6-liter and 5.7-liter with eTorque: ranging from +9.1% to +10.5%
2025: actively pursue actions in support of the U.S. EPA/NHTSA industry goal of 54.5 mpg by 2025	✓ Product actions that contributed to fuel efficiency include: - 2.0-liter turbocharged I-4 engine with engine stop-start extended to the 2019 Jeep Cherokee - transmission improvements and weight reductions integrated into the 2018 Jeep Wrangler and 2019 Ram 1500 - electric power steering and thermal management technologies integrated into the 2019 Ram 1500 - aerodynamic and tire rolling resistance improvements integrated into the 2018 Jeep Wrangler, 2019 Jeep Cherokee and 2019 Ram 1500
2020: develop electric/hybrid technologies, focusing on solutions that are economically viable, competitive in the marketplace, and beneficial to society	✓ Launched the all-new 2019 Ram 1500, with eTorque mild hybrid system available on the 3.6-liter and 5.7-liter engines ✓ Launched the Chrysler Pacifica Hybrid in China ✓ Completed LEAP 1 electrified powertrain and component project with McMaster University and began LEAP 2 “Car of the Future,” a new three-year collaborative project ✓ Announced FCA 2018-2022 business plan which includes our expectation to offer 30 nameplates with electrified propulsion systems by 2022 ✓ Presented the product plan for Italian plants following FCA 2018-2022 business plan: - Jeep Renegade PHEV and Jeep Compass PHEV - Alfa Romeo compact UV PHEV - Fiat Panda MHV - Fiat 500 BEV

[1] 2006 baseline established using impact assessment guidelines of EC Regulation 443/2009. Rules for CO_2 calculation are defined in EC Regulation 443/2009, EU Regulation 333/2014 and EU Regulation 2017/1153.
[2] All improvements represent combined fuel economy compared with the replaced model.

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

Targets	2018 Results
2020: maintain a wide offering of CNG models in Europe, promote technological innovation and retain significant position among leaders in Europe	✓ FCA confirmed among leaders for natural gas vehicles in Europe with approximately 760,000 natural gas vehicles produced since 1997 ✓ Experimental project with CAP Group on biomethane produced from sewage sludge and waste water included as a good practice of circular economy within the “Zerosprechi” campaign
2020: reduce CO_2 emissions by 30% vs 2008 on entire Maserati product range	✓ Implementation of Maserati’s electrification strategy on course, in alignment with the 2018-2022 business plan READ MORE

Commitment: offer new services that improve the mobility experience and provide greater access to affordable solutions

Target	2018 Results
2020: pursue research, advance development and delivery of new sustainable connectivity and mobility solutions that are economically viable for the Group and our customers	✓ Announced expanded partnership with Waymo with an agreement to add up to 62,000 Chrysler Pacifica Hybrid minivans to Waymo’s self-driving fleet ✓ Opened all-new automated driving test facility dedicated to autonomous vehicle and advanced safety technologies, including an autonomous highway-speed track, 35-acre safety-feature evaluation area and high-tech command center ✓ Subscription-based car ownership program announced in the 2018-2022 business plan is expected to give customers access to FCA portfolio vehicles and the ability to exchange the vehicle for another FCA brand and model ✓ Enjoy, the car-sharing service launched by Eni in partnership with FCA and Trenitalia, reached approx. 830,000 individuals and 18 million rentals since 2013 ✓ Leasys, FCA Bank’s long-term car rental company, launched U-Go, a mobility platform combining peer-to-peer car sharing and short-term rental offers READ MORE

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

Commitment: assess and manage environmental impacts throughout the entire product life cycle

Targets	2018 Results
2020: offer new products (vehicles and components) with environmental performance certification through integration of ISO 14040/44-compliant Life Cycle Assessment (LCA) methodologies	✓ Critical review by a third-party certification firm for compliance verification of the LCAs applied to the following vehicles: - Maserati Ghibli 3.0-liter 350 hp V-6 gasoline vs Ghibli 3.0-liter 275 hp V-6 diesel - Maserati Levante 3.0-liter 350 hp V-6 gasoline vs Ghibli 3.0-liter 275 hp V-6 diesel - Fiat Ducato 2.3-liter 130 hp diesel new version Euro 6 vs previous Euro 5 version ✓ LCA completed on: - Fiat Cronos Drive 1.3-liter Flexfuel vs Fiat Grand Siena Attractive 1.4-liter Flexfuel - Jeep Renegade Longitude 1.8-liter Flexfuel vs Jeep Renegade Longitude 2.0-liter diesel ✓ LCA completed on: - application of magnesium alloys on automotive components - hot stamping processes ✓ LCA started on all-new Jeep Wrangler vs previous model
2020: minimize environmental impact of materials used in vehicles	✓ Began implementation in FCA European plants of the Global List of Automotive Process Substances (GLAPS) approach
2020: increase the use of renewable and recyclable materials in next generation vehicles with a focus on recycling and substitution opportunities for critical raw materials	✓ Completed the collaborative work on the European Horizon 2020 ECAIMAN project aimed at creating next-generation lithium-ion batteries ✓ Completed the Italian collaborative work on RICIRCOLA project, to recycle plastic materials in the Melfi plant (e.g., scrap from bumpers) and to produce new components internally ✓ Began collaborative work on the EU Horizon 2020 REINVENT project, aimed at producing polyols from renewable sources and biomaterials ✓ Began collaborative work on EU Life BIOBCOMPO project for automotive weight reduction through the development and use of biomaterials ✓ 11 new applications of sustainable materials approved, including recycled materials for: - Jeep Cherokee engine cover - air cleaner housings on various vehicles - synthetic suede for interior applications - spare tire tub silencer
2020: outperform European Union reuse/recycling quota target (85%) and reuse/recovery quota target (95%)	✓ All Group vehicles sold in Europe were 95% recoverable and 85% recyclable by weight
2020: improve efficiency in management of End-of-Life Vehicles (ELVs) and exceed minimum regulatory requirements with expansion of qualified and certified ELV network in relevant markets	✓ 100% of tires collected from dismantlers in Italy, resulting in approx. 25,800 tons being used in recycling activities ✓ 274 dismantlers selected on the basis of environmental and quality criteria to serve the FCA Italian ELV network ✓ Improved monitoring of ELV activities in 75 markets worldwide ✓ Increased lithium-ion batteries end-of-life management within ELV network in most relevant European markets READ MORE

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

CUSTOMER FOCUS

Commitments: improve vehicle preventive, active and passive systems and overall road safety performance

Targets

2020: continue to focus on vehicle occupant safety through advanced solutions encompassing all safety aspects while:
- adapting to the rapidly changing regulatory requirements and third-party ratings in all regions
- maintaining high levels of structural crashworthiness while introducing Advanced Driver Assistance Systems (ADAS) such as Automatic Emergency Brakes (AEB) and Forward Collision Warning (FCW)
- offering modular architectures, innovative and efficient restraint systems and providing technically advanced active safety systems for mass-market vehicles including global applications
- continue to be an industry leader in user-centered HMI design approaches for all safety system customer interfaces

2018 Results

- Expanded communication and enhanced the existing FCA Ethics Helpline system worldwide to encourage suppliers, dealers and other stakeholders to report concerns related to vehicle safety, emissions or regulatory compliance
- Invested more than €25 million in an all-new Autonomous Driving and Advanced Testing Facility, including assessment to third-party safety ratings
- Blind Spot Monitor with Rear Cross Path and Trailer Tow Detection launched in 2018
- 2019 Chrysler Pacifica named an IIHS Top Safety Pick
- Fiat 500X achieved Latin NCAP 5-Star rating

Commitment: offer competitive products that meet the needs of customers worldwide

Target

2020: achieve top quartile[1] competitive position for vehicle portfolio, leading to increased customer loyalty and advocacy for our products based on applicable regional benchmarks

2018 Results

- Improved on average approx. 1% globally the rate of repair in the first 90 days of ownership
- Improved on average approx. 2% in three regions (NAFTA, EMEA and APAC)[2] Things Gone Wrong from surveys that evaluate functionality and design issues

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[1] Vehicle portfolio will place within the top 25% of benchmark data.
[2] LATAM region launched a new external survey methodology and is not included in the scope.

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

Commitment: strengthen relationships with customers worldwide and achieve higher satisfaction levels

Targets	2018 Results
2020: support and engage existing and potential customers through a global Customer Care platform and dedicated initiatives or channels	✓ Provided worldwide customer assistance in 28 different languages ✓ Handled approx. 28 million contacts worldwide ✓ Launched all-new Customer Relationship Management system to support recall outreach, exceeding 27 million outreach attempts in the U.S.
2020: achieve customer service levels[3] in all regions in line with the Group's best performing region	✓ Achieved customer service performance across regions ranging from 74% to 88% call response within 20 seconds
2020: support customer experience within the dealer network by focusing on personnel development and quality management programs	✓ Provided more than 6.1 million training hours to sales, after-sales and technical personnel within FCA's dealer network worldwide ✓ Expanded number of schools in Mopar Career Automotive Program by approx. 8% to train high-potential, entry-level automotive technicians ✓ Through the TechPro[2] program, trained more than 5,000 students around the world for jobs in automotive repair centers and dealer networks, providing about 4.5 million hours of training in 7 different languages and offering 650 internships at FCA after-sales centers READ MORE

[3] Group level refers to the level of service across the four regions: EMEA, NAFTA, LATAM and APAC.

PRODUCTION

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

Commitment: optimize environmental performance of production processes

Targets	2018 Results
2020: achieve 32% reduction in CO_2 emitted per vehicle produced vs 2010 at mass-market vehicle assembly and stamping plants worldwide	Reduced by 27% CO_2 emissions per vehicle produced at mass-market vehicle assembly and stamping plants worldwide vs 2010 (from 0.62 to 0.45 tons CO_2/vehicle)
2020: achieve 30% reduction in energy consumed per vehicle produced vs 2010 at mass-market vehicle assembly and stamping plants worldwide	Reduced by 17% energy consumption per vehicle produced at mass-market vehicle assembly and stamping plants worldwide vs 2010 (from 7.36 to 6.09 GJ/vehicle)
2020: use electricity generated from renewable sources for 100% of purchased electricity supplied from the grid and consumed by mass-market vehicle plants in the EMEA region	15% of total electricity consumption used in Group production comes from renewable sources
2020: achieve 40% reduction in water consumed per vehicle produced vs 2010 at mass-market vehicle assembly and stamping plants worldwide	Reduced by 38% water consumption per vehicle produced at mass-market vehicle assembly and stamping plants worldwide vs 2010 (from 5.0 to 3.1 m^3/vehicle)
2020: maintain water recycling index over 95% at all FCA plants worldwide	Achieved 99% water recycling index at FCA plants worldwide
2020: achieve 14% reduction in waste generated per vehicle produced vs 2010 at mass-market vehicle assembly and stamping plants worldwide	Reduced by 62% waste generated per vehicle produced at mass-market vehicle assembly and stamping plants worldwide vs 2010 (from 217.2 to 83.3 kg/vehicle)
2020: achieve 54% reduction in hazardous waste generated per vehicle produced vs 2010 at mass-market vehicle assembly and stamping plants worldwide	Reduced by 62% hazardous waste generated per vehicle produced at mass-market vehicle assembly and stamping plants worldwide vs 2010 (from 8.2 to 3.1 kg/vehicle)
2020: achieve up to 98% waste recovery at Group plants worldwide, with specific targets for each company	Achieved 96% waste recovery at mass-market vehicle assembly and stamping plants worldwide
2020: achieve 25% reduction in Volatile Organic Compounds (VOC) emitted per square meter painted vs 2010 at mass-market vehicle assembly and stamping plants worldwide	Reduced by 25% VOC emissions per square meter painted at mass-market vehicle assembly and stamping plants worldwide vs 2010 (from 32.4 to 24.2 g/m^2)
2020: achieve Environmental (ISO 14001) and Energy (ISO 50001) certification for all Group plants[1] operating worldwide	97 Group plants certified to ISO 14001, accounting for nearly 100% of total Group industrial revenues[2] and covering 98% of manufacturing employees[3] ISO 50001 certification for plants accounted for 99% of total FCA energy consumption
2020: extend WCM program to 99%[4] of Group plants operating worldwide and achieve bronze, silver, gold or world class award performance level for 100% of plants in WCM program	WCM program implemented in 95 plants, accounting for 99% of total Group manufacturing cost base Award performance level achieved in 65 plants (27 bronze, 32 silver and 6 gold level), accounting for 87% of Group plants adopting WCM

READ MORE

[1] For ISO 50001 only where material: corresponding to at least 95% of energy consumption of all Group plants.
[2] Industrial revenues are those attributable to the activities of plants directly controlled by the Group.
[3] Manufacturing employees are those directly and indirectly involved in manufacturing processes.
[4] Percentage based on the total manufacturing cost base.

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

SUPPLIERS

Commitment: promote social and environmental responsibility among suppliers

Targets	2018 Results
2020: advance FCA initiatives and external engagements to increase traceability along the FCA supply chain for minerals that may be linked to human rights abuses and increase awareness of business implications	✓ Engaged 44 tantalum, tin, tungsten or gold smelters and refiners which had been either newly identified or required a re-assessment, in order to obtain or retain conformant status according to the Responsible Minerals Assurance Process ✓ Initiatives include: - serve as co-lead of AIAG Conflict Minerals Work Group and Conflict Minerals Smelter Engagement Team - work with Responsible Minerals Initiative and global smelters or refiners to perform pre-audit visits, with the aim to help smelters conform with industry-wide smelter program ✓ Delivered training on Conflict Minerals and ethical sourcing to 78 suppliers ✓ Engaged with multi-stakeholder groups in proactive and material actions supportive of the OECD Due Diligence Guidance for Materials
2020: evaluate all Tier 1 suppliers with potential exposure to high environmental or social risks through sustainability audits or assessments; conduct targeted third-party audits of all strategic suppliers	✓ 88 audits of FCA suppliers performed, of which 5 were conducted by FCA Supplier Quality Engineers and 83 conducted by third-party auditors, representing an overall increase of 83% in the number of suppliers audited ✓ More than 760 sustainability self-assessment questionnaires submitted by FCA suppliers, representing approx. 74% of FCA 2018 annual purchased value (from direct and indirect material suppliers)
2020: monitor CO_2 emissions of 90-100% of top Group suppliers (representing approx. 57% of purchases by value) through the CDP supply chain program	✓ 261 suppliers invited to respond to the CDP Supply Chain program, with 185 responding, representing approx. 55% of the 2018 annual purchased value READ MORE

LOGISTICS

Key:

- Target exceeded
- Target achieved or in line with glide path
- Target partially achieved
- Target postponed

Commitment: deliver goods and vehicles on time while reducing the environmental impact of logistics

Targets	2018 Results
2020: enhance logistics operations through optimization of fleet characteristics and application of methodologies designed to reduce the impact of freight and vehicle movement	✓ Low-emissions natural-gas powered trucks in FCA's transport fleet operating in North America and Europe avoided approx. 3,500 tons of CO_2 ✓ New projects implemented or expanded to improve worldwide transport operations, such as a new cubing methodology which avoided more than 4,000 tons of CO_2
2020: leverage existing and emerging processes and technologies to move materials while protecting part quality and the environment	✓ Performance and environmental impact of packaging and protective materials improved through projects, such as recycling more than 136,000 wooden pallets and saving over €330,000, while lowering the environmental impact of producing and delivering the pallets

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CORPORATE GOVERNANCE

02

The foundation of FCA's governance model is the Code of Conduct and a collection of supporting statements, including guidelines, that reflect our commitment to a culture dedicated to integrity, responsibility and ethical behavior.
The Company governance model regulates the decision-making processes and the approach used by the Company and our employees in interacting with all stakeholders.
This model is supported by the whistleblowing process for reporting situations, events, or actions which may be inconsistent with the FCA Code of Conduct; an advanced risk management system; and an ongoing alignment with international best practice and the Dutch Corporate Governance Code.

KEY FIGURES

1
Code of Conduct

12 Principles
for ethical behavior

12 Guidelines
reflecting responsible
commitments

RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

CORPORATE GOVERNANCE

FCA's governance supports how we do business on a daily basis, enabling us to lead the way to sustainable growth and to create value while respecting the legitimate interests of stakeholders.

The main elements of FCA's governance structure are described below, while full disclosure on this aspect is available in the Annual Report.

The Board of Directors – composed of 12 Directors, including both executive and non-executive – is responsible for the management and strategic direction of the Group. The designation of Directors as either executive or non-executive is determined by shareholders at the time of election.

The Board of Directors as a whole is composed of two executive Directors (i.e., the Chairman and the Chief Executive Officer), having responsibility for the day-to-day management of the Company, and 10 non-executive Directors, who do not have such day-to-day responsibility within the Company or the Group. The general authority to represent the Company shall be vested in the Board of Directors and the Chief Executive Officer.

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. We have determined that eight of our 12 Board members qualify as independent for purposes of New York Stock Exchange rules and the Dutch Corporate Governance Code.

The Board of Directors adopted a diversity policy for the Board of Directors (the Diversity Policy), as the Company believes that diversity in the composition of the Board of Directors in terms of age, gender, expertise, work background and nationality is an important means of promoting debate, balanced decision-making and independent actions of the Board of Directors.

The Company considers each of these diversity aspects key drivers to support the above-mentioned goals and to achieve sufficient diversity of views and the expertise needed for a proper understanding of current affairs and longer-term risks and opportunities related to the Company's business. The Board of Directors and its Governance and Sustainability Committee consider such factors when evaluating nominees for election to the Board of Directors and during the annual performance assessment process.

The composition of the FCA Board of Directors reflects international standards:

- there are 12 Directors, ensuring the effective functioning of the Board and its Committees
- the Board is composed of three women and nine men
- Board member average age is 59
- a skill matrix of the Board members is provided on the corporate website.

During 2018, there were nine meetings of the Board of Directors. The average attendance at those meetings was approximately 95%.

BOARD COMMITTEES

The Board of Directors is supported by three Committees:

- Governance and Sustainability Committee
- Audit Committee
- Compensation Committee.

The Governance and Sustainability Committee is responsible for, among other things, assisting and advising the Board of Directors with: (i) the identification of the criteria, professional and personal qualifications for candidates to serve as Directors; (ii) periodic assessment of the size and composition of the Board of Directors; (iii) periodic assessment (annually) of the performance of individual Directors and reporting on this to the Board of Directors; (iv) proposals for appointment of executive and non-executive Directors; (v) supervision of the selection criteria and appointment procedure for senior management; (vi) monitoring and evaluating reports on the Group's sustainable development policies and practices, management standards, strategy, performance and governance globally; and (vii) reviewing, assessing and making recommendations as to strategic guidelines for sustainability-related issues, and reviewing the annual Sustainability Report.

The Governance and Sustainability Committee is elected by the Board of Directors and is comprised of at least three Directors. More than half of the members shall be independent and at most one of the members may be an executive Director.

During 2018, the Governance and Sustainability Committee met once with 100% attendance of its members at that meeting. The Committee reviewed the Board's and Committee's assessments, the sustainability achievements and objectives and the recommendations for Directors' election.

SUSTAINABILITY MODEL

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. The commitment to sustainability arises from a corporate culture that includes integrity, respect for others and a commitment to community service.

In order to implement meaningful sustainability practices and optimize the management of sustainability aspects within the Company, FCA involves every area, every function and every employee, 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.

Several entities within the Group, primarily those referred to below, help direct a disciplined approach to sustainability management.

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 Executive Officer (CEO) is supported by 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.

The Chief Audit, Sustainability and Compliance Officer is also a member of the GEC and coordinates the activities of the Sustainability Team. The Sustainability Team, with members located in Italy, Brazil, China and the U.S., facilitates the process of continuous improvement, contributing indirectly to risk management, cost optimization, stakeholder engagement and effective communication to stakeholders of our commitments and results.

Discussions between stakeholders and the Board Committee regarding sustainability issues are carried out by the Sustainability Team as part of its assignment to maintain an interchange with internal and external stakeholders. Reports on these dialogues are then included in the annual disclosure and conveyed to the Governance and Sustainability Committee.

CODE OF CONDUCT

The Code of Conduct is a pillar of the integrity system which regulates the decision-making processes and operating approach of the Group and our employees in the interests of stakeholders. The Code of Conduct amplifies aspects of conduct related to the economic, social and environmental dimensions, underscoring the importance of dialogue with stakeholders.

FCA endorses the United Nations (UN) Declaration of Human Rights, the International Labour Organization (ILO) Conventions and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Companies. The FCA Code of Conduct is intended to be consistent with such guidelines and aims to ensure that all members of the Company's workforce act with the highest level of integrity, comply with applicable laws, and build a better future for our Company and the communities in which we do business.

The FCA integrity system is comprised of these primary elements:

- Principles that capture the Company commitment to important values in business and personal conduct
- Practices that are the basic rules that must guide our daily behaviors required to achieve our overarching Principles. The Practices supplement the Principles with useful detail
- Procedures that further articulate the Company's specific operational approach to achieving compliance and that may have specific application limited to certain geographical regions and/or businesses as appropriate
- Statements, including Guidelines, that cover specific issues to emphasize the Company's accountability and commitment to a culture of responsibility and integrity. These cover, among others, matters related to human rights, competition, sustainability for suppliers, environmental management, responsible taxation, advertising and marketing communication, and Conflict Minerals. The FCA Guidelines were updated and posted to the Company website in 2018.

The Code applies to all Board members and officers of Fiat Chrysler Automobiles N.V. and its subsidiaries, as well as full-time and part-time employees of FCA and any of our subsidiaries. The Code also applies to all temporary, contract and all other individuals and companies that act on behalf of FCA, wherever they are located in the world.

FCA uses our best efforts to ensure that the Code is regarded as a best practice of business conduct and observed by those third parties with whom we maintain business relationships of a lasting nature such as suppliers, dealers, advisors and agents. Group contracts worldwide include specific clauses relating to recognition and adherence to the principles underlying the Code of Conduct, as well as compliance with local regulations, particularly those related to corruption, money-laundering, terrorism and other crimes constituting liability for legal persons.

The Code may be consulted and downloaded from FCA's website, the employee portal and other employee communication channels aimed at reaching the entire workforce. Copies can also be obtained from Human Resources, the Legal Department or Internal Audit and Compliance.

FCA disseminates the Code of Conduct and the values of good governance to employees. The level of knowledge of the Code of Conduct is measured via training with modules that test comprehension. Completion rates are closely monitored.

During 2018, FCA offered training on conflict of interest, export controls, anti-corruption, anti-trust, compliance with the Italian legislative decree n° 231/2001 (where applicable), corporate governance and human rights, totaling roughly 138,000 individual training sessions for FCA employees.

VIEW DATA

> "FCA disseminates the Code of Conduct and the values of good governance to employees."

Acting with Integrity

The FCA Code of Conduct clearly and affirmatively requires employees to report issues of non-compliance. Unless local law provides otherwise, employees must report violations of law, regulation or Company policy of which they become aware, including but not limited to, issues involving vehicle safety, vehicle emissions, financial reporting, or reports to governmental authorities. Any failure in reporting such violations could place the Company at risk, and may be the subject of disciplinary action.

FCA's workforce and business partners can always effectively, and in most countries anonymously if desired, communicate any concern, including any vehicle safety, emissions or regulatory concern, or any conflict of interest, through the Ethics Helpline.

The Ethics Helpline offers a worldwide, common and independent intake channel via telephone (38 dedicated numbers in 22 languages) and web to report any concerns of alleged situations, events, or actions that may be inconsistent with the FCA Code of Conduct. It is managed by an independent provider, available 24 hours a day, seven days a week. FCA has chosen this reporting channel to meet compliance needs and maintain a consistent reporting environment.

In addition, the FCA Ethics Helpline also allows employees, suppliers, dealers, consumers and other stakeholders to request advice about the application of the Code of Conduct (for example, to verify definitions of terms or restrictions under the Code).

FCA employees may also seek advice concerning the application and interpretation of the FCA Code of Conduct by contacting their immediate supervisor, Human Resources representatives, or the Legal Department.

Violations of the Code of Conduct are identified through:

- reports received through the Ethics Helpline
- reports made to management or Human Resources
- periodic activities carried out by Internal Audit and Compliance
- checks forming part of the standard operating procedures.

FCA analyzes and investigates the allegations received through the Ethics Helpline; the results and any potential actions are assessed by the Ethics and Compliance Committee at the regional level and, where deemed necessary, escalated to the global FCA Ethics and Compliance Committee. The relevant internal functions are notified of the violations. The FCA Audit Committee is periodically updated on the status of the allegations with a specific focus on significant cases.

VIOLATIONS OF THE CODE OF CONDUCT

by category

	Total closed cases	Total confirmed cases
Managing Our Assets and Information	401	265
Interacting with External Parties	93	34
Conducting Business	45	20
Protecting Our Workforce	268	68
Total	**807**	**387**

The violations of the Code of Conduct have been grouped according to the four categories that organize the Principles of the Code.

Accordingly, Managing Our Assets and Information includes Communicating Effectively, Protecting FCA Assets and Maintaining Appropriate Records. The category Interacting with External Parties comprises Avoiding Conflicts of Interest and Supporting Our Communities. Conducting Business covers Sustainably Purchasing Goods or Services, Transacting Business Legally and Engaging in Sustainable Practices. Finally, Protecting Our Workforce includes behaviors related to Maintaining a Fair and Secure Workplace and Ensuring Health and Safety. See the complete Code of Conduct for further details about each category. For all Code violations, the disciplinary measures taken are commensurate with the seriousness of the case and comply with local legislation.

The auditable universe of FCA companies is assessed annually for significant risks, including those related to corruption on the basis of quantitative criteria: location, activity, and sector, as well as qualitative criteria such as interviews with senior management and professional opinions. The most relevant risks arising from the assessment are audited to ensure 100% coverage every three years of all commercial companies, and every five years for all other companies.

Human Rights

The Group is committed to the prevention of adverse human rights conditions. FCA requires adherence to internationally recognized principles for the respect and support of fundamental human rights in all geographic areas where the Group operates.

FCA promotes these principles and expects our suppliers, contractors and other business partners, with whom we do business, to adhere to these standards.

The FCA Human Rights Guidelines, which are publicly available, are consistent with the spirit and intent of the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights (Ruggie Framework), the United Nations Sustainable Development Goals, the OECD Guidelines for Multinational Companies, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization, and the U.K. Modern Slavery Act 2015.

The Human Rights Guidelines cover the rights we seek to ensure for, and with, our major stakeholders:

Employees: FCA prohibits the use of child and forced labor. We seek to provide a diverse and inclusive workplace, free from discrimination and harassment. We recognize and respect workforce members' freedom of association and are committed to providing employment conditions that are competitive and compliant with all applicable employment, wage and working hour laws. FCA conducts all of our worldwide operations with the highest regard for the health and safety of our workforce in accordance with applicable laws and is dedicated to consistently improving health and safety measures to help ensure that the potential for injury in the workplace is minimized.

Customers: FCA is committed to offering safe, reliable, high-quality vehicles to our customers.

Communities: FCA is committed to socially responsible engagement with the communities where we have operations.

Business partners and suppliers: FCA expects our suppliers, contractors and other business partners with whom we do business, to adhere to our human rights standards. They are also required to comply with all occupational health and safety related rules and regulations, and to adopt measures and standards that contribute to an overall improvement in occupational health and safety performance throughout the value chain.

Our due diligence processes include actions to safeguard against human rights abuses in our business and in our supply chain.

As part of our initiative to internally identify and mitigate any related risks, the following tools have been developed:

1. an annual survey aimed at detecting any case of child and forced labor at worldwide FCA companies, including those located in countries that have not ratified ILO Conventions on these issues. In 2018, no incidents of child labor or forced and compulsory labor were reported in any of the companies mapped.
2. a Human Rights self-assessment performed by the Internal Audit department as part of the standard internal audit process, in order to cover due diligence requirements of the UN Ruggie Framework Guiding Principles on Business and Human Rights. Checks are also performed in those countries with a high risk based on the yearly Audit Plan.

Areas covered by the self-assessment include:

- Child labor and young workers
- Forced labor
- Freedom from discrimination
- Conditions of employment
- Security
- Supply Chain Management

In 2018, the human rights self-assessment compliance checklist was performed by individual legal entities and reviewed by Internal Audit and Compliance, with a coverage of 74% of the FCA workforce worldwide, involving the following countries: Argentina, Brazil, Canada, China, Italy, India, Mexico and the U.S.

Alleged human rights violations are reported through the same channels as other types of potential violations, including the FCA Ethics Helpline and the telephone contact list available on our corporate website.

Data Privacy Rights

In the conduct of our business operations, FCA collects a significant amount of personally identifiable information related to employees, contractors, suppliers, customers and any other persons with whom we have a relationship. FCA considers the personal rights and privacy of each and every individual to be fundamental in our business relationships and intends to protect values such as confidentiality and personal data protection rights.

FCA aims to operate in accordance with the laws and regulations around the world that govern the collection and processing of personal data. Our Code of Conduct and Data Privacy Guidelines, available on our Company website, provide guidance on the management of personal and sensitive data, and the prevention of potential privacy and security risks and incidents.

Environmental Protection

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 efforts as applied to our products and our operations.

We evaluate the impact of our vehicles on the environment throughout their entire life cycle. Our approach to responsible vehicle development includes dedication to efficient powertrains, improved aerodynamics, weight reduction, safety, quality, increased use of renewable materials, and alternative mobility solutions. We believe that immediate and tangible results can best be achieved by combining conventional and alternative technologies, while recognizing and accommodating the different economic, geographic and fuel requirements of each market.

In our industrial operations, FCA has adopted World Class Manufacturing (WCM), a structured production system that promotes sustainable, systematic improvements aimed to evaluate and address all types of wastes and losses (including injuries) at our manufacturing operations by applying methods and standards with rigor, and with the involvement of the entire manufacturing workforce.

Responsibility for protecting the environment rests with everyone at FCA, as well as with our business partners and the customers who drive our vehicles. We encourage the safe and eco-friendly use of our products, providing customers and dealers with information regarding the use, maintenance and dismantling of vehicles and other products. We expect our non-managed operations such as suppliers, dealers, contractors, business partners, licensees, and joint venture partners to comply with all environmental-related regulations and to contribute to an overall improvement in environmental impact throughout the value chain. We encourage our employees to take an active part in our efforts to protect the environment, and provide a wide range of engagement opportunities, communications and training activities to support this objective.

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 CO_2 emissions and improve fuel economy in response to the unique regulatory requirements of FCA's major markets.

In the European Union (EU), FCA has set a target to achieve a 40% reduction in CO_2 emissions by 2020 compared with the baseline of 2006 for mass-market cars sold in Europe.

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.

Global goals for our manufacturing plants include:

- reducing energy consumed per vehicle produced by 30% from 2010 to 2020
- reducing CO_2 emissions per vehicle produced by 32% from 2010 to 2020
- reducing water consumption per vehicle produced by 40% from 2010 to 2020.

FCA is also helping mobilize suppliers to become actively involved in cutting greenhouse gas emissions: we have set a target to monitor CO_2 emissions of at least 90% of top suppliers (accounting for about 57% of purchases by value) by 2020.

Transacting Business Legally

Included in the FCA Code of Conduct's Principle "Transacting Business Legally" are, among others, rules related to anti-bribery, anti-corruption, competition law and government and public institution relations.

FCA is committed to compliance with all applicable anti-corruption laws that govern our operations. No FCA director, officer, employee, agent, or business partner may directly or indirectly, give, offer, promise, or authorize bribes, kickbacks, payoffs, or other improper payments or transfers of anything of value to any government official with the intention to influence such official in the performance of his or her official functions and thereby secure a business advantage. FCA also prohibits facilitating payments or "grease payments" as well as commercial bribery, i.e., transactions not involving government officials.

These principles apply to third parties that act on FCA's behalf. Each FCA company that engages third parties to act on its behalf must ensure that such representatives sign written agreements that contain clauses that require their compliance with anti-corruption laws, and that the representatives are subject to the Company's applicable due diligence procedures, if any.

FCA also conducts appropriate due diligence investigations prior to any merger and acquisition transaction, and ensures that the final agreements in any such transactions include appropriate anti-corruption representations, warranties and related clauses.

FCA's record keeping and internal accounting and control Practices and Procedures are designed to ensure integrity and accuracy in the recording and reporting of all business transactions.

Alleged violations are reported through the FCA Ethics Helpline, as well as through the same channels as other types of potential violations.

Compliance with competition laws is also crucial to the Group's reputation. To fulfill FCA's commitment to compliance in this area in all countries where we do business, FCA has adopted a comprehensive compliance program, which includes Competition Guidelines, periodic training, awareness and counseling.

When dealing with our business partners, our workforce is expected to always maintain the highest degree of integrity and to act solely in the best interests of the Company.

Conflicts of interest may arise when members of FCA's workforce engage in activities or have interests that compromise the interests of our Company, because these activities or interests may compromise objective business decision making or otherwise interfere with the performance of work-related duties.

Thus, in order to assist the workforce in the management of conflicts of interest or any potential conflicts, in 2018 the Group implemented a new module to submit a disclosure through the FCA Ethics Helpline.

As reported in the FCA Code of Conduct, the Group is committed to conducting our government and public institution relations, including lobbying, in accordance with applicable laws and ethics rules as well as in full compliance with the Code and any applicable local procedures.

Political contributions by the Group are only allowed where permitted by law and must be authorized at the appropriate level within each Group company. In 2018, no contributions were made by FCA to political parties.

Legal Proceedings

Various legal proceedings, claims and governmental investigations are pending against the Group on a wide range of topics. The Group monitors the status of pending legal procedures and consults with experts on a regular basis.

During 2018, the Group has not received an individual final judgment, or group of related final judgments, relating to a breach of i) environmental legislation, ii) rights of local communities, iii) privacy, iv) product liability, v) corruption, vi) unfair competition, intellectual property and antitrust, vii) contractual liability, viii) product and service information and labeling, ix) litigation with suppliers or x) human rights that would be considered material to the Group's operations.

RISK MANAGEMENT

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Risk management is an important business driver and is integral to the achievement of the Group's long-term business plan. We take an integrated approach to risk management, where risk and opportunity assessment are at the core of the leadership team agenda.
Our success as an organization 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.

KEY FIGURES

50+ risk drivers identified

€21.2 Million invested in loss prevention and risk mitigation

RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

RISK MANAGEMENT

The management and mitigation of risks to our business encompass a broad array of possibilities, including socio-economic uncertainty; regulatory initiatives; competitive actions; industrial accidents; natural disasters; risks posed by climate change; liability claims and lawsuits; portfolio management and investor decisions; employee health, safety, and retention issues; and similar exposures within the FCA supply chain.

Whether considering local, regional or global risks, their impact can range from minor to significant. They are often tangible – usually quantified in financial terms – or more qualitative, such as reputational risk among consumers, business partners or investors. After first identifying the risks, we take preemptive steps to reduce the likelihood of occurrence, develop plans for responding to events should they occur, and where possible and economically feasible, secure insurance to cover potential losses.

The three primary elements of the globally-integrated FCA approach are:

- the Enterprise Risk Management process, which increases visibility to key risks that could hinder FCA's ability to achieve our strategic goals. All regions collaborate to identify and prioritize risks based on impact and vulnerability, determine the acceptable risk tolerance, and monitor mitigation actions and risk metrics for key global risks throughout the year.
- the Business Continuity Management process, which establishes and validates a structured approach to restoring normal business operations after major disruptions - typically those events that impair production across multiple days and/or manufacturing plants
- the Loss Prevention 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. These activities are not only focused on the more common fire and natural hazard risks, but have been extended to several other pure risks through the development of innovative risk engineering solutions.

The risk management process used by FCA is a factor in our sustainable development and provides a competitive advantage in a fast-changing and challenging global business environment.

ENTERPRISE RISK MANAGEMENT

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. By incorporating best practices identified during evaluations of other industrial groups, we can better respond to new requirements or to significant emerging issues such as climate change, macroeconomic developments, or joint ventures. More than 50 risk drivers have been identified, which are further broken down into approximately 100 potential events.

The analysis of potential risks is:

- dynamic: due to periodic evaluation of the main risks with follow-up and monitoring of mitigating actions identified and/or implemented
- predictive: through prospective risk assessment
- cross-functional: through risk assessment with direct involvement of business areas.

We appoint ERM coordinators for each operating segment of the Group. They coordinate and conduct cross-functional meetings with the heads of key operating segments. These meetings provide the forum to facilitate discussion, identify and evaluate potential risks, and formulate risk mitigation plans.

An enterprise risk assessment is performed annually, based on a bottom-up approach beginning with the functional areas, and concludes with the review by the regional Risk Management Committee. Regional/company Chief Executive Officers and/or Chief Operating Officers of these operating segments review and approve their respective risk assessments and submit these results to the central ERM team. The central team consolidates results into a Group report for review and validation with the Global Risk Management Committee and Group Executive Council. As part of the consolidation, significant global focus risks are identified and risk dashboards are created to monitor major risk indicators as well as current and go-forward mitigation efforts. Once validated, results are submitted to the Audit Committee, assisting the Board of Directors in their responsibility for strategic oversight of risk management activities.

Key global risks identified in 2018 include risks related to product quality and customer satisfaction; product portfolio and technology strategy; technology development and product launch; talent management; interruption of critical supplies and supplier quality; regulatory compliance and commercial policies. Each key global focus risk has been classified by risk categories and control measures and mitigating actions are subsequently defined for each identified risk.

For further details, see Significant Risks Identified and Control Measures Taken in the 2018 FCA Annual Report.

BUSINESS CONTINUITY MANAGEMENT

Managing business operations and returning to normal production schedules when a catastrophic event causes a major disruption requires planning and discipline. These potential events include natural disasters, pandemics, facility issues, cyberattacks, or unforeseen events within our supply chain. Our business continuity management is a structured and disciplined approach to reducing the likelihood and severity of disruptions, and reducing recovery time in the event of a disruption.

The business continuity management process has four elements:

- Critical production processes for each plant are mapped to key inputs, including facility infrastructure, process equipment, data technology, human resources, and suppliers. Current recovery strategies are documented. Data is made available to employees, and knowledge can be shared across business units and plants.
- An enterprise impact analysis is created to identify plant interrelationships, and the resultant financial impact of each plant. Financial impact is also determined for individual vehicle or component product lines within each plant.
- Key operational risks and mitigation initiatives may then be associated to any facet of the production system until resolved.
- A Business Continuity Plan is developed to summarize information required for business recovery. A flexible approach allows each plant to develop a situation-specific response. Elements of the plan are tested annually, at a minimum, through a simulation exercise.

The results and priorities of the Business Continuity Management process are reviewed regularly by management.

By the end of 2018, Business Continuity Plans had been developed for 21 of the higher-risk manufacturing plants in the United States, Canada and Mexico, accounting for approximately 80% of FCA's total NAFTA revenue attributed to vehicle sales. Plans have also been developed for a core set of supporting corporate functions in the U.S., Canada and Mexico that most directly impact operations.

Disaster Recovery Management is complementary to business continuity management as it entails strategies and processes to plan for, respond to, and recover from significant business disruptions impacting Information and Communications Technologies (ICT). Many business functions are extremely time sensitive and cannot be interrupted for an extended period of time. Accordingly, disaster recovery's goals include minimizing downtime and restoring business operations, and supporting applications within acceptable time frames.

The Disaster Recovery Team oversees program administration, governance, and compliance. The Chief Information Security Officer is responsible for ensuring that the Disaster Recovery program is executed within ICT.

Disaster Recovery enables FCA to:

- help ensure the safety and well-being of personnel, customers, and other individuals conducting business at FCA
- minimize the loss of data, revenue, and customers in the event of a disaster
- meet our contractual and legal obligations.

Because disruptions to business operations may also impact non-manufacturing activities, FCA Services has also put Business Continuity Plans (BCP) in place in its operations. FCA Services is the shared service center dedicated to supporting FCA's worldwide processes and activities within Finance, Taxation, HR Services and Customs. The FCA Services Business Continuity Plan follows the best practices and requirements of international standards (FCA Services is ISO 27001 certified) and focuses on the safety of employees and on continuity of services.

This Plan includes:

- Policies and Procedures followed by all FCA Services countries
- Enterprise Risk Assessment and Business Impact Analysis to identify the risks and evaluate financial, reputational and operational impact. To mitigate the risks, action plans and new countermeasures are implemented.
- Key Performance Indicators to assess the correct alignment of all parties with the BCP requirements and the full achievement of all objectives
- Business Continuity Plans with all steps and actions to be taken in case of a disruption
- disruption scenarios to be prepared addressing adverse situations
- consistent control and monitoring of events that could impact the business
- testing, from simulation exercises to full testing, to ensure the validity of the plan and involve and train employees
- Business Continuity Plan enhancements as a result of testing performed.

All FCA Services Business Continuity activities are reviewed every year by a Steering Committee as well as by internal and independent external auditors to assure the correctness and consistent improvement of the Business Continuity Plan.

LOSS PREVENTION MANAGEMENT

Natural hazards can threaten the Group's physical assets and business continuity. Industrial losses from natural disasters such as earthquakes, flooding, tornadoes or severe storms, are on the rise. 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.

FCA employs a risk management policy strongly focused on loss prevention and mitigation to help prevent property damage that could result in interruptions to our business. To be effective, loss prevention must be embedded in day-to-day activities, in new projects and initiatives, and is supported and promoted by the organization's highest levels of management.

More than 10 years ago, FCA created a center of competence whose mission is to develop advanced and innovative engineering solutions related to physical risks created by natural events. The goal of the competence center is to reduce the detection time of new natural hazard risk-related events and to quickly initiate loss prevention or mitigation practices and procedures. Its focus is the allocation of resources and efforts among risk reduction, risk sharing, disaster response and recovery efforts.

Specific activities include monitoring and insuring against pure risks - such as fire, explosions, and natural disasters - and playing a central role in managing events that have the potential to impact the continuity of operations or integrity of physical assets at the Group's 1,033 sites worldwide covered by the insurance programs.

Our Risk Management policy aims to ensure that the Group has a consistent basis for measuring, controlling, monitoring and reporting risk at all levels. Four pillars describe our approach:

- preventing accidents or mitigating their effects
- adopting higher international standards for risk prevention
- minimizing the cost of risk by optimizing loss prevention, investment, self-insurance and risk transfer programs
- centralizing and consolidating relationships with global insurance markets.

The Loss Prevention Management process is conducted with the support of external consulting firms that specialize in industrial risk. They use field audits to provide an impartial, in-depth and consistent assessment of risk across the Group.

During 2018, FCA's risk management entities were responsible for managing 151 sites worldwide, representing 82% of total insured value, based on 2019 insured values. To ensure that industrial risk is adequately and efficiently monitored, more than 95% of FCA's total insured value managed by Fiat Chrysler Risk Management is surveyed at least once every three years and more than 50% is surveyed annually. In 2018, 77 sites, representing approximately 81% of FCA's insured value, and 198 new projects were inspected or monitored to ensure conformity with international standards in loss prevention.

In 2018, FCA invested €21.2 million in targeted loss prevention and physical risk mitigation measures that led to a reduction in overall loss expectancies of approximately €0.94 billion during the year. Figures relate to the insurance year from July 1, 2017 to June 30, 2018.

By concentrating and strictly controlling the fire protection investments at selected vital sites, an overall Global Efficiency Index (GEI) of 2.27 was achieved, representing a reduction of €100 of Loss Expectancy for every €2.27 invested. The Global Efficiency Index for loss mitigation (GEI = cost of protection/reduction of expected damage) is recognized as a measure of effectiveness for industrial risk management. These actions made it possible for FCA to maintain 74% of the total insured values certified by the insurance market as Highly Protected Risk (HPR). The HPR system reflects the highest level of loss prevention practice and protection standards in combating property damage risks. Such practice and protection standards must be assessed and certified by external, internationally-recognized experts.

To bolster the sustainability and resilience of the Group, the risk management function launched several forward-looking and innovative risk engineering approaches and solutions to better understand the impacts of natural hazards and respond appropriately. 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.

The following projects are core operational activities:

- insurable environmental risk management
- earthquake risk re-engineering project
- flood risk re-engineering project
- parking lot risk management
- supplier risk management
- cyber risk management.

Further, the Group is developing ways to analyze the risk of tornadoes at the most exposed sites, while identifying countermeasures to mitigate their impact.

> "In 2018, FCA invested €21.2 million in targeted loss prevention and physical risk mitigation measures."

Insurable Environmental Risks

FCA uses an innovative environmental risk management methodology developed in collaboration with Environment, Health and Safety (EHS) departments across the Group, a major international consultancy and certification firm, and an insurance partner. This program, which has become a cornerstone of the loss prevention activities of FCA, enables the Group to:

- obtain objective and quantified assessments of its insurable environmental exposures
- improve risk profiles of each functional area to minimize environmental risk costs
- understand and clearly communicate priorities and benefits
- inform the insurance market of activities to prevent and mitigate potential environmental losses
- obtain environmental insurance coverage appropriate to the level of risk exposure and potential loss
- execute prevention activities in line with Group strategies.

Ninety-two percent of FCA's worldwide total insured value was analyzed and quantified using this methodology.

To validate information collected through 68 self-assessments, 23 ad hoc on-site visits have been conducted at Group sites considered representative in terms of size, activity and geographical distribution, since the launch of the project. In 2018 alone, there were 25 self-assessments and 4 ad hoc on-site visits. The visits were conducted by environmental risk engineers from a leading global environmental risk insurer to validate the consistency of the self-assessments and identify possible improvement opportunities.

These activities enable the development of the Group's environmental maps, which provide a quantification of the overall level of risk, using a scientifically-based certified self-assessment tool. Results presented to the insurance market confirm that FCA's environmental risks have been adequately identified and quantified and are properly managed, enabling the Group to secure comprehensive global insurance coverage.

Earthquake Risk Project

A robust risk management decision-making process requires quantitative estimates of expected losses due to seismic events. In the last decade, seismic events affecting industrialized countries demonstrate that a structured risk-engineering program based on sound risk estimation is vital to control exposure to potential property damage and business interruption.

Fiat Chrysler Risk Management, in collaboration with specialized risk consultants and universities, developed the Integrated Approach to seismic risk assessment and management, a multi-level framework that allows simultaneous seismic risk assessment and rational allocation of available resources. Unlike traditional approaches to seismic risk, this methodology encompasses individual quantification of all basic components of that risk: the seismic hazard of the site, the expected building structural response, and the unique economic activities and asset values.

In 2018, the collaboration consolidated the application of the Integrated Approach to key Group sites worldwide. In particular:

- the Level 1 analysis, which is aimed at quantitative and transparent seismic risk prioritization, covered 14 sites, bringing the total to 77 sites since the launch of the project
- the Level 2 analysis, providing quantitative seismic loss assessment, was applied to locations identified as top risks during the Level 1 analysis, bringing the total to five sites since the launch of the project
- the Level 3 analysis, consisting of on-site earthquake-specialized loss prevention engineers developing dedicated risk mitigating recommendations, was not applied to any plants in 2018.

Flood Risk Project

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 geomorphological 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 to 136 sites globally, and identified 78 sites where a second flood risk study is recommended. Nineteen second level studies were completed in 2018.

Parking Lot Project

This global project aims to assess and proactively manage natural hazard risks that expose finished FCA vehicles stored in parking lots to damage such as fire, hail, natural hazards and external exposure.

An international team comprised of logistics and risk management specialists and supported by the Group risk engineering provider developed a risk mapping tool to:

- collect key data to quantify and compare risks on accumulation and potential exposures
- produce both global exposures and specific hazard risk maps highlighting top risks and priorities
- define both prevention and protection risk treatment priorities and outline the most appropriate action plans.

By the end of 2018, the project was expanded to 237 vehicle parking lots in 35 countries.

Supply Chain Risk

FCA strives to implement strategies that manage both everyday and exceptional risks along the supply chain, while better identifying suppliers throughout its many tiers. It is critical to understand supplier profiles at lower tier levels to ensure a complete risk assessment and response in the event of potential supply disruptions. Working to develop tools that support supply chain mapping has become an important focus. These data tools can provide FCA with an advantage of speed-to-resolution and prioritize FCA with resources over competitors.

Suppliers who are identified under certain risk criteria are encouraged to work with FCA to ensure that risk management processes in place are able to secure the flow of key components.

To accommodate supplier size and organizational structure, we have adopted varied risk assessment techniques. Large, global suppliers with well-structured risk management organizations are analyzed with deductive methodologies that measure their risk management and business continuity processes and procedures. Smaller suppliers are visited by a specialized loss prevention team that determines their alignment with international loss prevention standards adopted by FCA and, where needed, recommend risk reduction action plans.

The process, led by Fiat Chrysler Risk Management and FCA Purchasing, begins with a simplified, semi-quantitative approach: already available information (financial, business, industrial and geopolitical) is used to prioritize suppliers. This helps focus engineering resources 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. It is based on suppliers with mature risk management practices managing their risks and minimizing the probability of an extended production stoppage in one of their key manufacturing plants. 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.

By the end of 2018, this methodology was applied to 52 suppliers identified as critical by the Purchasing team.

Cyber Risk Management

Fiat Chrysler Risk Management has created varied work groups, made up of multidisciplinary specialists from FCA internal functions and departments as well as from insurance companies for developing advanced and innovative risk engineering approaches and solutions.

Specialized teams composed of FCA cyber risk experts and insurance market leaders, and coordinated by the Fiat Chrysler Risk Management loss prevention team, analyze globally the ICT macro processes to verify alignment with industry best practices. Where necessary, they recommend focused improvements that further enhance their resilience. The risk management function ensures that this initiative is consistent with other risk management processes in place.

FCA's dedicated cyber risk insurance coverage is designed on the basis of a comprehensive and thorough analysis of:

- the threats of exposure of vital company assets, including the information that must be protected and at which level
- policies and procedures in place to reduce the risk of attack in the event of a security breach
- plans and procedures in place to neutralize threats and remedy security issues.

> "To accommodate supplier size and organizational structure, we have adopted varied risk assessment techniques."

03

EMPLOYEES AND COMMUNITY

EMPLOYEES

03

FCA succeeds when our worldwide team of employees is challenged to use their creative skills and energy. Employees with diverse perspectives and backgrounds create value for our many stakeholders inside and outside the Company. We work to provide a rewarding, safe and healthy workplace that values innovation and enables employees to collaborate in ways that transform differences into strengths, breaking down geographic and cultural barriers, and developing each person's potential.

KEY FIGURES

1 global
leadership model

1.7 Million
hours of training

198,500+
employees

1 Safety Pillar
worldwide through
World Class Manufacturing

RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

EMPLOYEES

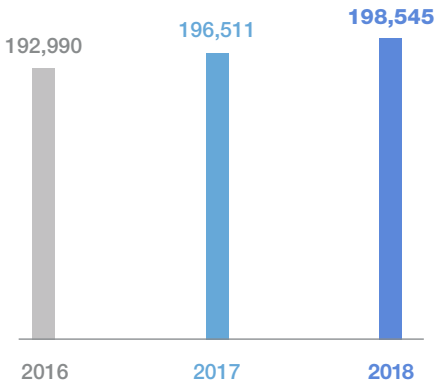
FCA employees at all levels bring their knowledge, creativity and experience to the job in order to identify opportunities and act as catalysts for change. This enables the Group to adapt and respond quickly to the market and to competitive actions.

To achieve the Company's objectives, the Human Resources function supports robust processes designed not only to secure the talent required by the business, but to provide employees with opportunities during their entire career, from recruiting to retirement.

As of December 31, 2018, the Group employed 198,545 people.

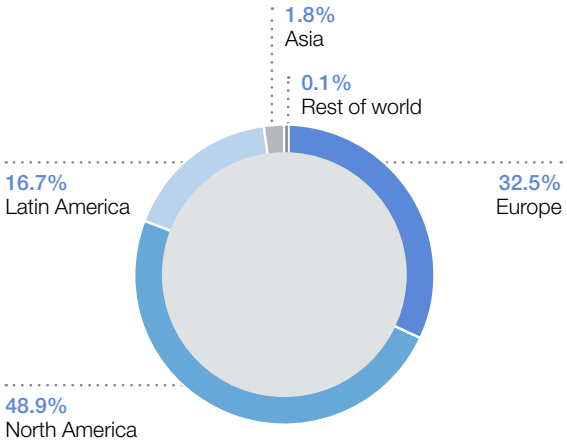
WORKFORCE TREND BY YEAR

FCA worldwide (no.)



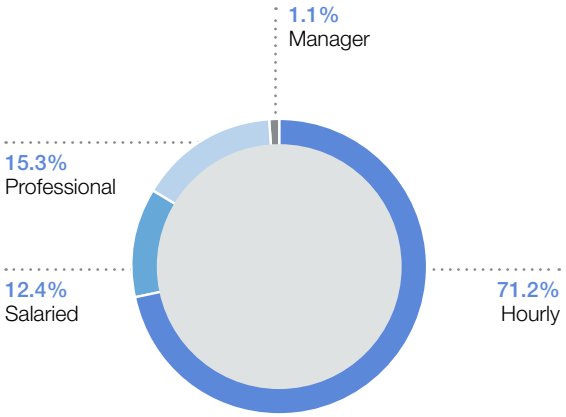
WORKFORCE BY GEOGRAPHIC AREA

FCA worldwide



WORKFORCE BY CATEGORY

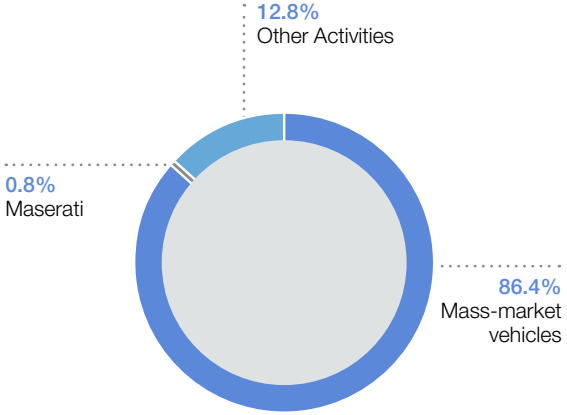
FCA worldwide



VIEW DATA

WORKFORCE BY OPERATING SEGMENT

FCA worldwide



DIVERSITY AND INCLUSION

At FCA, we embrace a culture of diversity and inclusion that supports our desire to constantly push ourselves ahead, leading to innovation and excellence through collaboration and dynamic change.

Employees are expected to follow the business ethics and behavioral expectations of FCA's Code of Conduct that details the Group's commitment to maintaining a fair, secure, productive and inclusive workplace for all members of our workforce, one in which everyone is valued for their unique contributions to the Company. The Company regards the diversity of our workforce as a key asset and does not tolerate any form of discrimination.

We strive to ensure equal employment opportunities for members of our workforce based on merit without regard to race, color, sex, sexual orientation, gender identity, transgender status, age, protected veteran status, marital status, religion, national origin, disability status, genetic information, or other basis protected by law. Promoting equal opportunities in the workplace is vital to FCA's human resources management and the Company's long-term success. A wider, more diverse pool of talent improves the Company's understanding not only of our workforce, but that of our customer base as well.

Several programs are in place across the Group to foster a diverse and inclusive work environment among employees. The FCA US Diversity Council works to foster opportunities for, among others, women and ethnic minorities. Diversity within North America is also represented by the Business Resource Groups (BRGs). The BRGs (African Ancestry Network, Latins in Connection Network, Asians Connected Together, First Nations, Gay and Lesbian Alliance, Women's Alliance and the FCA Veterans' Group) provide multicultural learning opportunities, mentoring and networking for employees, and support for community outreach initiatives and charitable events.

FCA is aligned with the vision of the United Nations Sustainable Development Goal on Gender Equality through a number of activities that aim to advance the role of women in the automotive workforce. These include, among others, formal processes to monitor the application of our core equity and fairness principles to compensation levels, annual salary reviews and promotions, work-life balance arrangements, and events to foster interest in technical careers among women.

WOMEN BY EMPLOYMENT CATEGORY

FCA worldwide (%)

	2018	2017	2016
Hourly	18.5	18.3	17.7
Salaried	29.5	28.9	29.1
Professional	20.6	20.5	20.1
Manager	16.7	16.1	15.0
Total workforce	**20.2**	**20.0**	**19.7**

FCA received a number of recognitions for our commitment to diversity in 2018. The Company is listed in the Thomson Reuters Diversity & Inclusion Index, which includes the most successful companies in promoting and leveraging diversity and inclusion in the workplace. FCA is the only automotive company to be included in the 2018 index. We were also recognized as one of DiversityInc's "Noteworthy Companies for Diversity" and were included in Latina Style's 2018 list of Top 50 U.S. companies for Hispanic women to work, marking the 15th year for this recognition.

The Company offers employment opportunities for individuals with disabilities. A survey monitoring the employment of workers with disabilities is performed every two years in countries where legally allowed. The latest survey of the number of disabled workers was completed in 2017 across 32 countries. Details are available in the 2017 Sustainability Report.

FCA launched a campaign to raise awareness and provide timely information to employees on services to address a wide range of disability issues. A two-day Diverse Abilities Awareness event at our U.S. technology center connected employees with representatives from organizations and support services to better understand how and where to get individualized help for themselves or those they know.

MANAGEMENT AND DEVELOPMENT

Our employees are a crucial factor in providing the Company with the competitive edge needed in our industry. Consequently, we invest considerable resources in employee management and development, and operate according to the following leadership principles:

- we recognize and reward performance
- we define leadership as leading change and leading people
- we embrace and cherish competition
- we aim to achieve best-in-class performance
- we collaborate and simplify decision-making, striving for speed, rigor and discipline in all we do
- we value diversity and inclusion.

We expect every decision, including the appointment of leaders, to be influenced by these foundational elements as we continue our efforts to be an organization of best-in-class talent in today's automotive industry.

Talent Attraction

FCA recognizes the ever-evolving expectations of our workforce, especially as they relate to rewards and challenges that may be different from those of the past. Aligning FCA's current and future needs with skilled professionals, whether those already part of today's workforce, or those just beginning their career, makes attracting and retaining talented individuals a top priority at each step from recruitment through retirement.

FCA has been involved for 13 years in supporting university teams that design and manufacture prototypes to compete in the European Formula SAE events. FCA offers the teams our technical support during the Italian competition held at the Circuit in Varano de' Melegari (Italy).

For five years, FCA has partnered with the Society of Automotive Engineering's Collegiate Design Series on a car-building competition that takes students from the classroom to the race course in both Formula and Baja vehicle classifications. Student teams from several universities work with more than 60 FCA engineers, and are provided the opportunity to test their vehicles at the Chelsea Proving Grounds (U.S.). Through this program, the students develop many of the skills used at FCA every day, including project management, budgets, timing, design, building, testing and validation. Many student team leaders manage teams of 15 - 50 students, helping them build leadership skills and learn how to manage people to give their best effort - attributes highly desired in the workplace.

To support FCA efforts to attract the best talent, we sponsor programs such as the U.S. National Black MBA Association Graduate Student Case Competition. This annual event enables talented, high-potential MBA candidates from the nation's leading business schools to compete for €43,600 in scholarships. The solution they present gives these students an opportunity to demonstrate their knowledge and problem-solving skills to a multi-sector panel of business executives.

We also have strategic relationships with several universities to help bridge the gap between the classroom and the Company. These collaborations are designed to combine classroom education with hands-on industry-level experience. This gives students the opportunity to receive specialized instruction that caters to their career interests, while nurturing the skills needed for FCA's future workforce.

In Italy, a new four-year agreement was recently signed to continue the collaboration between FCA and the Politecnico of Turin for the Automotive Engineering degree program. This program focuses on three main areas: teaching, research and internationalization. FCA employees are involved in lecturing and coordination activities. In 2018, FCA granted €1.6 million to support this degree program.

Talent Management, Retention and Succession Planning

FCA provides the means for our workers to grow professionally, which helps us retain and develop talented and motivated employees. The Human Resources organization, managers and all other employees share duties and responsibility in this development, and this cooperation creates an attractive working environment and a workforce equipped to respond to the challenges of our industry.

Performance and Leadership Management (PLM) is the appraisal system adopted worldwide to assess the performance of management, professional and salaried employees. This individual performance assessment process is one of the elements upon which the variable compensation is based.

The PLM process provides the framework for talent management and succession planning. This rigorous, global process helps identify individuals with the technical and managerial skills needed for FCA and our employees to succeed.

Through PLM, specific targets are established to guide and assess employees in relation to their results and behaviors. Complete performance and leadership evaluations were conducted during 2018 for approximately 53,000 FCA employees. Sustainability targets are embedded into the business and thus are part of organizational objectives used for annual performance evaluations. This process encompasses virtually all salaried employees, with further details to be found in the Facts and Figures section of this report.

Talent reviews and succession planning processes are designed to create opportunities for individuals to develop the leadership skills necessary to further FCA's future growth. Such opportunities include assignments to other geographic or business areas as well as engagement with senior management. Approximately 6,000 internal mobility opportunities were made available to FCA salaried and hourly employees worldwide. This approach helps protect the Company's future, leveraging our workforce by preparing the next leaders for their roles.

Learning Management

To remain competitive in an auto industry undergoing transformational change, employees are encouraged to envision a career that involves continuous learning. FCA offers a number of development opportunities, including training, coaching, mentoring and job rotations.

The Group invested approximately €40 million in training during 2018, delivering 1.7 million hours of training to about 117,500 Group employees.

Investments in classroom, online and on-the-job training focused primarily on the Group's four core training concepts: development of job-specific know-how (71.9%), managerial skills (4.9%), cross-cultural awareness and language skills (12.0%) and corporate campaigns, rules and commitments (11.2%).

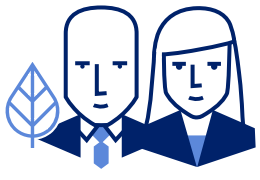
Where possible, FCA endeavors to measure the direct business impact of our training activities, in addition to monitoring process efficiencies and effectiveness. The Cost Deployment of Training model, used within the World Class Manufacturing (WCM) program, can be applied to a portion of total training costs. By monitoring on-the-job training and the associated generation of process improvements, FCA identified estimated savings of approximately €4 million enabled by a training cost of about €1.6 million in 2018.

Recently, a new approach to learning at FCA was launched through the FCA Learning City, an innovative virtual learning platform. This platform enables employees to grow, share and challenge their individual professional skills with other colleagues in a learning community that:

- facilitates learning and self-development by means of gamification
- favors networking and sharing of expertise
- challenges top learners to resolve real business cases.

This approach to learning puts employees at the center of their development paths, in a setting of self-accountability and empowerment.

VIEW DATA



40,000+ employees invited to participate in the Sustainability Boulevard training

Through this learning platform, a training project called the Sustainability Boulevard was made available to roughly 40,000 employees worldwide in 2018. This project, in its second edition, provides FCA employees with clear evidence of ways our sustainability efforts and results are integrated with our business, and how the various business areas can contribute to FCA's sustainability efforts.

Dialogue with Employees

We believe that dialogue is an important contributor to employee satisfaction, so FCA seeks to foster a company culture where new ideas are encouraged and valued at every level. Formal opportunities for exchange and dialogue include town halls, engagement surveys, employee meetings, team-building events and department gatherings. We use these opportunities to plan and address specific actions aimed at maximizing overall employee satisfaction and engagement.

2.4 Million suggestions from employees worldwide

During 2018, more than 20,700 hourly and salaried employees were involved in various engagement surveys. In some instances, these engagement campaigns were customized to match an organizational need, and deployed to particular segments of the Company or to employees worldwide from the same business area. This and other information derived from the above-reported initiatives allow FCA to evaluate and develop appropriate actions.

Several tools and programs are also in place worldwide to collect suggestions from employees. The World Class Manufacturing (WCM) program offers our largest worldwide example of employee engagement. In 2018, 2.4 million WCM suggestions were collected to foster shared learning and best-in-class performance. Across the organization, other suggestion channels are available for the collection of improvement proposals, resulting in an additional 34,000 ideas generated through direct and spontaneous engagement of employees worldwide.

COMPENSATION AND REWARD

FCA is committed to offering a total compensation system based on equitable and fair criteria, providing an inclusive work environment and equal opportunities for workers. By rewarding employees' abilities and efforts, the Company's compensation philosophy acknowledges the value of a high performance culture and the importance of a market-driven approach.

The Company has defined a compensation system that involves several components. This comprehensive package rewards employees for their contribution to the Company's results, provides development opportunities, and allows them to share in the business success they help create.

FCA reviews many factors to determine base salary, benefits and variable incentives, and strives for fair and objective treatment for employees around the world. The specific criteria for compensation adjustments focus on competitiveness with respect to market position, giving priority to top performers. Variable compensation and career development are impacted by individual contribution, which is vigorously evaluated through a common performance and leadership management framework that is deployed throughout the entire organization, under which employees are assessed on an annual basis. Additionally, the Group monitors the application of our core equity and fairness principles relative to compensation levels, annual salary reviews and promotions. Managers and human resource professionals utilize defined guidelines, which are reviewed annually, in making compensation determinations.

Benefits

In 2018, FCA reviewed the various company compensation and benefits available to the entire workforce and found that approximately 72% of employees are eligible for a supplementary retirement plan. During 2018, approximately 79% of these employees participated in this type of plan, representing roughly 57% of the total employee base.

Supplementary retirement plans provided by the Group fall into two categories: defined contribution plans and defined benefit plans.

Company-provided health plans are also available for FCA employees, and more than 73% of the surveyed population participated in a company-provided health plan. Childcare services are offered at some locations to help employees achieve work-life effectiveness by responding to the needs of the family.

The Group promotes a healthy lifestyle through comprehensive wellness programs and access to dedicated fitness facilities, which are available in certain areas.

PRINCIPAL EMPLOYEE BENEFITS

FCA worldwide (% of employees eligible for benefit)

Supplementary retirement plans	72
Company-provided health plans	89
Life insurance	68
Financial support for disability/invalidity	77
Employee cafeteria or lunch vouchers	59
Childcare services[1]	43
Wellness and nutrition programs[2]	73
Gym/fitness services[3]	47
Others[4]	40

[1]Includes kindergarten, free gymnasium access for children, assistance with homework, summer camps/holidays, other services dedicated to childcare.
[2]Includes nutrition coaching, smoking cessation training, medical check-ups, medical screening, other wellness programs.
[3]Includes gymnasium access, gym/fitness courses and other sports initiatives.
[4]Includes benefits such as company cars, transportation, housing, interest-free loans.

WORK-LIFE BALANCE

FCA offers programs and tools to help employees balance their personal and professional lives. Depending on the employee location and local requirements, FCA provides guidelines, processes, technology enablers, tools, and collaborative workspaces to address the expectations of an evolving labor market.

Operational needs, the business climate, and compatibility of job assignments are considered as employees and managers explore options that enable positive work-life integration. Advancements in technology have allowed us to rethink traditional processes and increase efficiency while supporting our commitment to the well-being of our employees. Arrangements and initiatives to improve work-life balance include flextime, job-sharing, part-time or reduced hours, telecommuting, compressed workweek/summer hours, parental leave and other leaves.

In 2018, an assessment of Group companies revealed that roughly 19% of employees were covered by one or more of the available flexible working arrangements. Specifically, 3.5% of the workforce is employed part-time, of which about 52% are women; 2.6% took parental leave related to childbirth and care; approximately 8.7% participated in other types of leaves; and 3.8% were covered by other types of work schedule flexibility (e.g., flexible working hours, working from home, job-sharing). The actual figure may be considerably higher, as this percentage does not include participation resulting from informal agreements with local managers, which may not be formalized or tracked.

The Group supports equitable choices for maternity, paternity and adoption benefits, which encourage employees to balance parental responsibilities with their careers. While labor law requirements may vary from country to country, parental leaves are provided to all employees to the extent required to comply with local regulations. In some countries, the Group exceeds local requirements with dedicated policies.

Return-to-work and retention rates following parental leave are two key indicators of the mid- and long-term capability of the Company to provide employees with career growth opportunities and achieve balance between their home and work lives. For further information, refer to the Facts and Figures section of this report.

Financial health is also an important aspect of work-life balance. An FCA initiative in Italy called Conto Welfare allows employees to convert some of their pre-tax earnings into a spending account they can use on a wide range of health, wellness, well-being, care, education and pension benefits or services. In addition to the tax benefit, the Company contributes an additional five to ten percent toward their spending account. In 2018, more than 15,000 employees enrolled in Conto Welfare. This initiative supported employee welfare and work-life balance, granting more affordable access to services and resources from a wide range of local providers. Flexible spending accounts available in the U.S. also give eligible employees the opportunity to help pay for certain health care and dependent day care expenses by setting aside a portion of their pre-tax earnings as a selection of their benefit choices.

Recently, in the U.S., FCA supplemented the financial resources and tools available to employees by offering a student loan refinancing benefit. We recognize that this innovative offering is a way to attract and keep top talent who have invested in their education as well as the education of their children.

OCCUPATIONAL HEALTH AND SAFETY

Throughout our facilities around the world, FCA aims to provide all employees with a safe, healthy and productive work environment. We focus on identifying and evaluating safety and health risks; implementing health, safety and ergonomics standards; using collaborative robots in manufacturing operations; promoting employee awareness and safe behavior; and encouraging a healthy lifestyle. Environment, Health and Safety (EHS) managers are responsible at the Group level for establishing health and safety operating procedures and standards, and for supporting local EHS professionals in implementing them. In addition, they are responsible for monitoring national and local legislation, as well as applicable health and safety rules and regulations.

The goal of achieving zero accidents is formalized in the targets set by the Company, as well as through the global adoption of an Occupational Health and Safety Management System (OHSMS) certified to the OHSAS 18001 standard. FCA has committed that all of our plants operating worldwide in 2020 will be OHSAS 18001 certified. At the end of 2018, 94 Group plants, representing 96% of manufacturing employees, or those directly or indirectly involved in manufacturing processes, were OHSAS 18001 certified.

€160 Million
spending on health and safety

FCA has adopted World Class Manufacturing (WCM) methodologies and tools, including a Health and Safety pillar, which also contribute to improving safety in a systematic manner. WCM is a rigorous manufacturing methodology that involves the entire organization and encompasses all phases of production. See the Production section of this Report for more information about WCM.

Effective implementation of health and safety standards at FCA facilities is made possible through a combination of preventive measures and the collaboration of employees. Employees are involved through training that focuses on the importance of safeguarding health and safety; complying with policies and procedures; contributing to the adoption of additional safety measures; and promoting appropriate prevention behaviors across all organizational levels and roles. They are also engaged in initiatives designed to increase safety awareness and participate in a comprehensive system for gathering feedback and suggestions. Useful and implementable ideas are put into practice, shared across multiple facilities and incorporated into FCA's OHSMS, and the project owners were recognized for their involvement.

FCA engages in ongoing dialogue about improving employee health and safety with the employee-representative bodies in accordance with current laws and the collective agreements applied in the various countries in which the Group operates. The analysis conducted in 2018 revealed that 96.6% of employees covered by those bodies were also represented on issues such as health and safety.

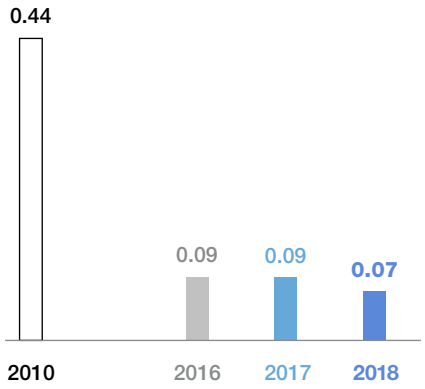
1.0 Million
safety training hours

Safety Insights

FCA has significantly reduced the frequency and severity of work-related injuries over the past several years through the application of tools and methodologies provided by the OHSMS and by the WCM Safety pillar, together with the active involvement of employees, development of specific competencies and targeted investment.

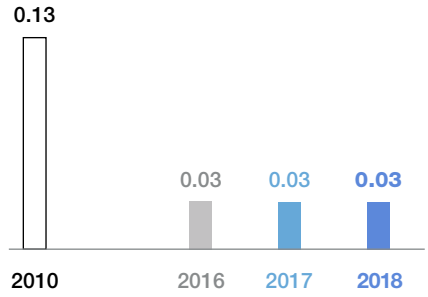
FREQUENCY RATE

FCA worldwide (injuries per 100,000 hours worked)



SEVERITY RATE

FCA worldwide (days of absence due to injuries per 1,000 hours worked)



Work-related injuries are analyzed to determine the causes and to take appropriate measures to avoid recurrence.

In 2018, the Frequency Rate index was down 22% compared to the previous year (with 0.07 injuries per 100,000 hours worked) and the Severity Rate was substantially unchanged compared to 2017 (with 0.03 days of absence due to injuries per 1,000 hours worked).

FCA's investment in health and safety, combined with the measures adopted, have resulted in a progressive reduction in the level of occupational risk attributed to Group plants in Italy by INAIL, the Italian accident and disability insurance agency. As a result, the Group was eligible for "good performer" premium discounts, which led to savings of more than €120 million from 2012 through 2018.

€120+ Million
savings on insurance
2012-2018

Occupational illnesses refer to diseases that develop gradually over time as a direct consequence of occupational activities carried out by an employee. FCA regularly monitors trends in occupational illness, and recorded approximately 360 cases worldwide in 2018. The occupational illness frequency rate was 0.09 cases per 100,000 hours worked (compared to 0.08 in 2017). This indicator (and changes from year to year) typically bears a low correlation to recent or current health and safety risk prevention measures because, unlike the injury indicators, occupational illness can relate to issues that originated years or even decades prior to being confirmed. Occupational illnesses are quite complex and are usually related to risks associated with historical working methods or environmental conditions that have long since been mitigated or eliminated.

VIEW DATA

> "FCA has significantly reduced the frequency and severity of work-related injuries over the past several years."

Health Promotion

FCA offers numerous programs and services for employees and their families to promote and support individual safety, well-being and a healthy lifestyle at and away from the workplace.

The Health Promotion Program (HPP) is based on needs reported both inside and outside FCA, and follows the health and safety principles of the main international organizations, including the World Health Organization (WHO), the U.S. Occupational Safety and Health Administration (OSHA), the European Agency for Safety and Health at Work (EU-OSHA), and the International Labour Organization (ILO). In 2018, the HPP was available in 78 plants in 15 countries, continuing to address local issues where appropriate.

TOP-PRIORITY AREAS SUPPORTED BY FCA HEALTH PROMOTION PROGRAM

Screening and vaccination
including services such as blood pressure, blood sugar level and cholesterol monitoring

Nutrition education
including counseling on healthy eating in the workplace and providing healthier food options on the cafeteria menu

Physical exercise promotion
through sports teams or clubs, and advice on how to increase daily exercise. For example, dedicating special areas of the Company to sports activities and/or entering agreements with local sports centers for use by employees and their families

Other specific regional programs
implemented where more relevant, such as smoking cessation or HIV/AIDS prevention programs. These are developed through awareness campaigns and training sessions on disease or smoking-related issues, including long-term health risks and the creation of support groups

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

FCA respects workforce members' freedom of association, and publicly affirms this commitment in the FCA Human Rights Guidelines. These Guidelines state that business partners and suppliers with whom the Group does business are also expected to adhere to our standards, including, but not limited to, human rights. Moreover, the Sustainability Guidelines for Suppliers describe expectations for Group suppliers and sub-tier suppliers worldwide.

Workforce members are free to choose to join a trade union in accordance with local law and the rules of the various trade union organizations. FCA recognizes and respects the right of our employees to be represented by trade unions or other representatives established in accordance with the locally applicable legislation and practice. When engaging in negotiations with representatives, FCA's actions and behavior seek a constructive approach and relationship. As confirmation of the importance the Group places on social dialogue, trade union representatives from Group companies were invited to participate in the all-day event when FCA presented the 2018-2022 business plan in June 2018.

At December 31, 2018, 88.8% of employees worldwide, including Sevel (Italy), were covered by collective bargaining agreements at any level, based on an average figure that covers a variety of situations in accordance with regulations and practices in the various countries. In nonunionized companies, 97.7% of employees not covered by collective bargaining benefit from conditions that are supplemental to, or better than, the minimum required by law.

In 2018, a survey covering approximately 89% of the total workforce worldwide, including Sevel (Italy), showed that 83.5% of employees were covered by representative bodies. Representative bodies, generally elected by local plant workers, are entitled to be informed and consulted, and negotiate on specific issues as provided by law or applicable collective agreements.

In the European Union countries, employee representative bodies are established for companies or sites where employee numbers exceed the minimum limits specified by national laws or procedures. In the NAFTA region, representatives are present at sites where a trade union has been established. In China, FCA employees are free to form a representative council in accordance with national labor laws, local rules and regulations.

In most countries, dialogue occurs through industrial and employers' associations to which the Group companies belong.

In 2018, an analysis was carried out in those countries that have not ratified fundamental International Labour Organization (ILO) Conventions on freedom of association or the right to organize and collectively bargain. It covered over 98% of employees at Group companies in Brazil, the U.S., Canada, Mexico, China, India and Malaysia, and showed that the application of these rights and principles is ensured through local legislation.

Relevant examples of collective bargaining agreements in countries where FCA has a significant presence are summarized below.

Italy

41.5% Unionized — **58.5%** Nonunionized

In Italy, all FCA employees are covered by collective bargaining agreements and all FCA companies apply the 2015-2018 company-specific collective labor agreement (CCSL). Negotiations with signatory trade unions for its renewal began at the end of November 2018 and on March 11, 2019 a four-year agreement was reached. Meetings were also held with the trade union Fiom-Cgil, which is not signatory to the CCSL, following its request to start negotiations having as reference its own document for collective bargaining. Managers in Italy are also covered by a company collective bargaining agreement.

United States

76.6% Unionized — **23.4%** Nonunionized

In the U.S., the Company applies the terms of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) - FCA US four-year national collective bargaining agreement signed in October 2015. This Agreement covers more than 49,000 employees and is in effect until September 14, 2019.

Canada

91.6% Unionized **8.4%** Nonunionized

In Canada, FCA Canada LLC applies the terms of the four-year labor agreement signed in October 2016 covering more than 10,500 employees. The Agreement with Unifor is in effect until September 21, 2020.

Mexico

83.8% Unionized **16.2%** Nonunionized

In Mexico, FCA Mexico, S.A. de C.V. applies the four-year agreement reached in June 2016 with The Sindicato Nacional de Trabajadores de la Industria Automotriz Integrada Similares y Conexos de la Republica Mexicana representing more than 15,000 employees. This agreement is in effect until May 9, 2020.

At the European level, regulations require that all community-scale undertakings establish a European Works Council (EWC), which ensures workers the right to information and consultation. FCA first established an EWC in 1997 on the basis of the agreement signed in 1996, and which was subsequently renewed with amendments and modifications. The last renewal agreement for the FCA EWC, signed in July 2016, was in effect until the end of 2018. As provided by the agreement itself, it has been automatically renewed.

Overall, in 2018, collective bargaining conducted in accordance with local law and practices, resulted in 349 trade union agreements at either the Company or plant level.

In 2018, the level of labor unrest and local labor action in Group companies was negligible and mostly related to local issues at individual plants.

Management of Production Levels

During 2018, the management of production levels varied within the regions based on market demand.

- In the EMEA region, the response strategy to the contrasting levels of market demand for certain models continued in 2018 leading to the use of forms of flexibility depending on the required volumes. In cases where it was necessary to manage temporarily reduced production, the Company continued our policy for employment protection by taking advantage of temporary layoff schemes or schemes defined by collective bargaining or company policies. In 2018, the use of temporary layoff benefit schemes by Italian Group companies was often supported by training and retraining programs for workers.
- In April 2018, FCA Italy signed a trade union agreement for the Polo Produttivo Torino which includes the Mirafiori Plant / Unità Sottogruppi Lastratura Grugliasco and Avv. Giovanni Agnelli Plant (Italy) and provides for on-the-job training initiatives as well as training and retraining programs targeted at certain categories of employees to ensure their continued employability. To enable an overall rebalancing of employment and to set preconditions for potential opportunities of occupational turnover, the Company and the trade unions also agreed on the voluntary departure of employees close to meeting pension requirements. This will be managed through a procedure for workforce reduction of 1,050 employees to be completed by the end of July 2019, and for the payment of a voluntary redundancy incentive.
- The industrial plan for Italian plants was presented to the trade unions in November 2018. It includes the launch of restyled Maserati models currently produced at Polo Produttivo Torino and the installation of a full Battery Electric Vehicle (BEV) platform at the Mirafiori plant/Unità Sottogruppi Lastratura for the new Fiat 500 Elettrica. As a result, during retooling in 2019, employees will receive on-the-job training as well as other targeted training. Since full working activity for all workers of Polo Produttivo Torino is not expected in 2019, the consequent temporary overstaffing will be managed through temporary layoff benefit schemes, in agreement with the trade unions.
- In Italy, FCA's production systems brand, Comau, realigned the mission of the Grugliasco site to address changes in the competitive European market resulting from the introduction of new technologies. In 2018, Comau started an investment program to introduce new products at the site, which resulted in a temporary overstaffing. This was managed through temporary layoff benefit schemes, in agreement with the trade unions. Subsequently, an agreement between the Company and the trade unions enabled employees close to fulfilling pension requirements to leave the company on a voluntary basis by the end of June 2019. The agreement included the identification of 72 redundancies. The parties also agreed on the amount that will be paid as a voluntary redundancy incentive.

- At the beginning of 2018, activities of Comau Poland Sp. z o.o. were terminated and the company was put in liquidation. This decision was due to the repositioning of Comau to align with current market demands for new products, technologies and services, and the reorganization of the Comau European footprint in line with emerging business opportunities. With a view to limiting the related social impact, an agreement was reached with all the trade union organizations.
- In the NAFTA region, the Company has been realigning our capacity to meet the demand for SUVs and trucks, utilizing the existing plant infrastructure. To support the change, the Company continues to utilize flexible operating patterns at NAFTA region facilities and assess the number of manufacturing employees needed to support our current and anticipated production volumes. This assessment also includes additional engineering, research and development and other highly skilled employees to support product development, sales, marketing and other corporate activities.
- In Argentina, the company utilized flexible operating patterns in order to support the production of the new Fiat Cronos model.

Minimum Notice Period for Operational Changes

Although regulations and practices from a local, regional and national level can vary, FCA strives to keep employee representatives involved when operational changes impact employees.

Within the European Union (EU), Directive 2001/23/EC stipulates that when a transfer of an undertaking, business, or part of an undertaking or business occurs as a result of a legal transfer or merger, a disclosure and consultation process is required with employee representatives. The procedure must be initiated reasonably in advance of the transfer. FCA companies comply with this Directive as implemented by the relevant laws and regulations of each EU member state.

> “FCA strives to keep employee representatives involved when operational changes impact employees.”

The agreement for the FCA European Works Council also specifies conditions when employees are to be informed and consulted.

Outside the European Union, local laws and practices apply:

- U.S.: A federal law known as the Worker Adjustment and Retraining Notification Act (WARN Act), which applies to both unionized and nonunionized employment sites, requires an employer to give a minimum of 60 days’ advance notice of any action that constitutes a plant closing or mass layoff. Several states also regulate required notice periods for certain operational changes.
- Canada: Notice of termination regulations vary by province. In Ontario, where the majority of the Canadian workforce is employed, notification must be given at least eight weeks prior to termination for employees with eight years or more of service. The remaining FCA Canada LLC employees are located in Alberta and Quebec, where the maximum notice requirement is eight weeks for employees with more than ten years of service.

At unionized sites and/or plants in the U.S. and Canada, the level of union involvement is normally defined by the collective bargaining agreement signed between the company and the trade union and is applicable at the plant level. The agreements usually specify the information and consultation procedures to be followed in such circumstances. At nonunionized plants, it is common practice to make a company-wide announcement to all employees of organizational changes relating to outsourcing, giving reasonable prior notice of the operation.

- Mexico: Companies are required to notify the Federal Arbitration and the Conciliation Board, as well as the trade unions, prior to any large-scale employee layoffs or plant closures. In Mexico, according to Federal Labor Law, prior to any large-scale employee layoffs or plant closures, companies are required to inform the Federal Labor Agency and the union. According to FCA´s Union Bargaining Agreement, in case of any large-scale employee layoff, the Company and the Union will agree to the terms and conditions applicable to such layoff. However, no notification period is expressly defined in Mexican labor law.
- China: Labor Contract Law states that all operational changes such as reorganizations, restructuring, or actions reducing the workforce by 20 or more employees or less than 20 but accounting for 10% of company employees must be notified to the labor union or to the employees 30 days in advance. The company must also provide the local labor authorities with a workforce reduction plan.

COMMUNITY

03

FCA is committed to building a secure future, not only for our Company but also for society as a whole. We embrace our responsibility to balance business with social needs by creating jobs through our facilities, promoting employee volunteerism and engagement, and targeting our charitable giving to address local needs. Our partnerships with nonprofit organizations and community, academic and local leaders provide an important connection between our employees and the communities where they live and work. Our approach to community engagement is reflected in the fact that *Supporting our Communities* is one of the key Principles of the FCA Code of Conduct, which guides FCA's commitment to important values in business and personal conduct.

KEY FIGURES

€24 Million
committed to benefit
local communities

174,000+
hours volunteered
by employees

RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

COMMUNITY

Our community investment activities reflect our efforts to promote thriving, resilient communities. In 2018, we committed charitable resources for a value of about €24 million,[1] including contributions from the FCA Foundation.

In alignment with the United Nations Sustainable Development Goals, our social contribution efforts focus most particularly on Quality Education; Gender Equality; Decent Work and Economic Growth; Reduced Inequality; Industry, Innovation and Infrastructure; and Sustainable Cities and Communities.

The Group's 2018 activities focused on a variety of causes: 35% for education-related initiatives; 56% for community development and welfare, including health programs; 9% for emergency relief and other efforts. Our charitable giving was primarily in the form of monetary contributions, which made up 84%, and the value of employee volunteerism, which represented 9%, while the remainder consisted of in-kind donations (7%).

A portion of the Group's charitable activities is operated through the FCA Foundation, which is supported solely by FCA US and governed by a Board of Trustees consisting of corporate executives. The FCA Foundation directs its resources toward the focus areas of youth development, education, community service, and support for members of the U.S. military, veterans and their families.

The Fundación FCA performs a similar role in Mexico.

In addition to monetary contributions from the Company, FCA encourages our employees to donate their time and skills. During 2018, FCA employees around the world volunteered more than 174,000 hours during work time in support of social projects.

WORKING ALONGSIDE THE COMMUNITY

FCA recognizes the importance of building strong relationships with key community stakeholders. By working together, we can best understand where to apply our resources and make a positive impact in our communities.

We encourage our employees to lead by example; combining our charitable financial donations with volunteer opportunities allows us to address unique local needs as well as foster employee engagement. Formal policies govern employee volunteer efforts in some regions. FCA's Motor Citizens program, for example, offers salaried employees in the U.S., Canada and Mexico a variety of engagement activities.

In 2018, nearly 13,000 employees took part in more than 1,800 Motor Citizens volunteer projects during work hours. In other areas, ad hoc volunteer activities are organized to target specific conditions and concerns. FCA employees around the world have volunteered through such activities as donating blood, mentoring youth, cleaning up streams and rivers, packing and delivering food and other supplies to those in need, assisting following a natural disaster, among hundreds of other initiatives.

Examples of regional initiatives illustrate the breadth of FCA's engagement:

Revitalizing and beautifying communities, one neighborhood at a time

Nearly 1,000 FCA Motor Citizen employee volunteers joined the Detroit-based nonprofit Life Remodeled to help revitalize a neighborhood in Detroit during 2018. This marked the fourth year in a row that Motor Citizens have joined forces with Life Remodeled, which represents the single largest deployment each year of FCA employee volunteers from the Company's metro Detroit offices and facilities. During this week-long Life Remodeled project, volunteers planted trees and perennial plants, built community gardens and installed little free libraries. Volunteers also helped designate the safest routes to schools with artwork, upgraded several parks, installed new bus shelters and added neighborhood signage. In addition to providing much-needed human resources, FCA US and its charitable arm, the FCA Foundation, donated a combined €43,600 to Life Remodeled.

In another urban community nearby, FCA employees partnered with Dream Centers of Michigan on a three-day outdoor beautification program to spruce up residential streets and parks. Dream Centers of Michigan is a volunteer-driven nonprofit organization that serves low-income urban communities through collaboration with individuals and organizations that invest their time and talent. Projects included cleaning-up blight, mowing lawns, painting, and light construction projects.

Big Brothers Big Sisters: mentoring youth in need

In 2018, FCA kicked off the second year of our site-based mentoring program with Big Brothers Big Sisters, the oldest and largest youth mentoring organization in the U.S. FCA employees and elementary school students meet for one-on-one mentoring sessions at our Auburn Hills location. Employees and students are paired for the full academic year, participating in fun and challenging goal-setting activities. Through a grant from the FCA Foundation and the engagement of employee volunteers, we help provide youth facing adversity with strong, enduring, professionally supported one-to-one relationships.

[1] Based on non-accounting data and calculation methods which may include estimates. Amounts in currency other than Euro were converted based on exchange rate at December 31, 2018. The reported figure does not include initiatives whose sole purpose is to promote a brand. Amounts refer to all FCA companies worldwide consolidated on a line-by-line basis at December 31, 2018.

Supporting communities in an emergency

When disaster strikes, FCA and our employees mobilize to help the affected communities and victims. Depending on the need, this assistance may take the form of technical, humanitarian and financial aid. FCA's disaster support also means helping nonprofit organizations to be prepared *before* an emergency, so they can be ready to deploy their resources.

In 2018, violent storms such as Hurricanes Florence and Michael had a devastating impact on thousands of lives, and in some cases, entire communities. The FCA Foundation contributed €174,600 in grants to three organizations providing support to residents and communities affected by these events: Americares, which responds to natural disasters and humanitarian crises worldwide; Team Rubicon, which unites the skills and experiences of U.S. military veterans with first responders to rapidly deploy emergency response teams; and First Response Team of America, which provides post-disaster services for search and rescue and recovery operations.

Social Team Building: impacting local community needs

FCA employees in Italy are given the opportunity to participate in a social team building activity. Partnering with local municipalities and districts, FCA assesses community needs and directs our efforts to positively impact them. In 2018, a group of FCA employees from the Turin (Italy) area participated in an improvisation theatrical show for children with serious illnesses. Another employee volunteer project during 2018 involved beautifying a Turin-area high school, including painting and freshening the interior of the building to make the learning experience more enjoyable for students. Participating in these activities together helps promote a sense of belonging among employees, and strengthens the relationship between the Company and the communities where we do business.

Árvore da Vida: developing local communities

Since 2004, FCA has supported a unique social project called Árvore da Vida in the Jardim Teresópolis community, near the FCA Plant in Betim (Brazil). The program aims to promote social, cultural and economic growth by encouraging the independence and empowerment of local residents. More than 22,400 people have benefited from the program since its inception. In 2018, one of the most challenging goals of the program was fulfilled: Árvore da Vida became a nonprofit institute composed of, and managed by, members of the community and individuals who have participated in the program throughout its history. Through the institute, the community will assume a leading role, make all relevant decisions and define its own partnerships, which could include FCA, governmental entities, or other companies - thus greatly expanding the available opportunities.

Cooperárvore: combining entrepreneurship and environmental responsibility

Another Brazilian program that focuses on local entrepreneurial activities to generate income is Cooperárvore, a social cooperative formed in 2006 by women from the community surrounding the FCA Betim plant. FCA donates fabric and seat belt remnants from the plant, and Cooperárvore transforms them into fashion accessories and other items. Over the past 12 years, Cooperárvore has contributed to improving the quality of life for more than 70 households in the area. Since it was created, Cooperárvore has repurposed about 38 tons of material and produced 270,000 products. Besides the positive impact on the families involved, the program illustrates the benefits of the circular economy, putting potential waste to good use.

Rain Water Harvesting Program

In India, water scarcity is a critical issue facing communities and the resident population. Fiat India Automobiles Private Limited (FIAPL) launched a Rain Water Harvesting (RWH) project in 2014 in water-deficient areas of the Pune District in Maharashtra. During 2017 and 2018, the company has created additional rain water harvesting opportunities with the potential to capture 265 million liters in seven villages. In the affected communities, these efforts have resulted in an increase in the ground water table, an increase in the area under irrigation, a reduction in tanker water supply during summer, increased awareness of water conservation concepts and improved sustainable management of scarce water resources.

A recent partnership between FCA and 3M extended our water conservation works to the drought-prone areas of the Latur District in Maharashtra. This partnership involves water conservation activities at 25 sites, which have the potential to create rain water harvesting opportunities of 134 million liters.

Share Your Heart: Crowdfunding FCA Japan

Since 2014, FCA has been supporting local communities in Japan through a crowdfunding activity called "Share Your Heart." Projects are chosen based on the causes that are embraced by FCA brands, including education for children, female empowerment, inclusion, community support, environmental protection, and hospitalized children. The initiative aims to "connect hearts and share happiness" among our internal and external stakeholders. In the past five years, the platform has raised approximately €230,000 for 34 projects as a result of donations from more than 2,400 contributors.

ADVANCING EDUCATION

A significant portion of FCA's community engagement is focused on education and helping develop the workforce of tomorrow. We partner with academic and nonprofit organizations across the globe to promote educational opportunities, and subsequently, employability. These partnerships include programs to mentor youth, encourage them to remain in school, and help them develop the life and technical skills necessary to succeed. Many of our initiatives aim to expand science, technology, engineering and math (STEM) skills and opportunities, as the demand for skilled professionals is expected to continue to grow across the automotive industry.

e.DO Experience for Young Generations

In 2018, FCA's production systems brand, Comau, launched a program of innovative training courses in Italy centered on digital transformation and robotics. More than 5,000 students had the opportunity to participate in the "Robotic Experience" project, which is offered from elementary to high school. The courses range from basic digital literacy to advanced programming certifications, and include training for teachers. e.DO, a modular robot that Comau created for the program, engages and entertains students while teaching basic coding, robotics and STEM skills. The training can lead to completion of the Patentino della Robotica (Robotics License), which is recognized by the Italian Ministry of Education as work-related learning that can be used as certification for future employment.

Based on the success of this program in Italy, Comau launched a similar robotics training project in China, in cooperation with the Xinqiao Vocational and Technical School. In 2018, more than 100 teachers and students participated, and the initiative received recognition from the Shanghai Songjiang Government.

FIRST Robotics

FCA and the FCA Foundation aim to engage students in STEM-related activities at a young age through programs such as *FIRST* (For Inspiration and Recognition of Science and Technology), an international, not-for-profit organization founded to inspire young people's interest and participation in science and technology.

In 2018, the FCA Foundation awarded approximately €470,000 in grants to *FIRST* programs in the U.S. and Canada. More than 90 FCA employees served as team mentors to guide 120 student teams at the grade school, high school and middle school levels to design, build and program robots to perform prescribed tasks against a field of competitors. Through this process, students learn basic physics, electrical and mechanical engineering, and machining skills, as well as teamwork and collaboration.

The *FIRST* Robotics Championship was held in Detroit in 2018, with the FCA Foundation serving as the Volunteer Sponsor for the event. Approximately 700 robotics teams from 37 countries participated. Teams supported by FCA mentors earned top honors, including the highest honor given at the competition, the Chairman's Award, which recognizes the team that best represents the model for other teams to emulate. Another supported team was a member of the four-team alliance that took first place, winning the *FIRST* Robotics Competition. Other teams were recognized with the Engineering Inspiration Award, Creativity Award, Entrepreneurship Award, and the Innovation in Control Award.

The FCA Foundation increased its support for *FIRST* programs in underserved communities, including providing funding at the middle school level. This will help build a pipeline of young students and inspire them to maintain interest in STEM fields throughout their academic careers.

Alternanza Scuola-Lavoro

Alternanza Scuola-Lavoro is an initiative administered by the Italian government that aims to familiarize high school students in Italy with real working situations. The program offers an alternative to traditional classroom learning through work-school programs at a variety of companies. To support the initiative, FCA launched the FCA for Education project in 2016. FCA for Education consists of two initiatives: FCA Adoption and FCAe_discovery. These two projects represented an FCA investment of approximately €142,000 in 2018 and roughly 5,850 hours volunteered by FCA employees.

> "We partner with academic and nonprofit organizations across the globe to promote educational opportunities."

FCA Adoption is the adoption by the Company of high schools located near FCA plants. Adopted schools participate in a comprehensive work-school program. Students have the opportunity to learn from FCA managers about the various professional paths available in a global company. They can participate in typical work situations such as meetings, brainstorming, on-site audits and systems analysis. In 2018, 1,400 students from 15 high schools were enrolled in this program.

FCAe_discovery is an online product for students, with tutors available to assist when needed. The content teaches students about all aspects of a company from the inside out, with a special focus on the automotive industry. Because this project is provided online, any school in Italy has the opportunity to participate, even if they are not located near an FCA facility. In 2018, approximately 7,300 students took part.

Winning Futures

FCA is helping challenged high school students in the U.S. through the Workforce Prep program offered by Winning Futures. Workforce Prep is an in-school mentoring and leadership skills development program that addresses the critical need to better prepare students for life and careers after high school. Through a €43,600 grant from the FCA Foundation in 2018 and the support of FCA employee volunteers, students gained critical workplace skills and hands-on experience, empowering them with the tools, knowledge and motivation they will need to realize a meaningful career and upward mobility.

School LEAP Program

Fiat India Automobiles Private Limited (FIAPL) supports the School LEAP program which aims to improve access to quality education for students through digital literacy and effective teaching and learning tools. The program also strives to enhance the learning environment and improve educational outcomes. The School LEAP program was launched in six government schools in Shirur (India) for class 1 to 7 standard. The initiative will focus on overall school development, with the involvement of students, teachers, the school Management Committee, parents and the local community.

MeccaniCotto

FCA's parts and service brand, Mopar, leads the MeccaniCotto project in collaboration with the Cottolengo school in Turin (Italy). Cottolengo, which has a two-century history of helping the disadvantaged, focused their 2018 efforts on bringing autistic students into the program. This initiative is aimed at helping young students enter the working environment, providing them with the necessary skills to work in vehicle maintenance. Mopar supplied the school with working labs, tools and equipment, and provided training on quick service processes and standards to Cottolengo's trainers.

Michigan Council of Women in Technology

FCA is engaged in a number of initiatives to promote studies and careers in technical fields among segments of the population that may be under-represented in science, technology, engineering and math (STEM) vocations. We partner, for example, with the Michigan Council of Women in Technology (MCWT) Foundation on programs such as "GET-IT" (Girls Exploring Together Information Technology). This after-school team activity runs throughout the school year and is designed to encourage high school girls to consider and ultimately pursue a STEM-related career. In 2018, FCA hosted 75 young women from Detroit-area schools for a "GET-IT" event at our facility in Auburn Hills (U.S.). The day offered an opportunity for the students to meet with FCA employees and explore technologies such as augmented reality with the professionals responsible for implementing them. The program also helps prepare students for college, strengthening their teamwork, problem-solving and organization abilities. Throughout 2018, FCA employees volunteered nearly 400 hours to a variety of programs offered with MCWT.

Masters in Manufacturing 4.0

To train graduates for a role within the manufacturing industry, FCA's production systems company, Comau, collaborated with Politecnico of Turin (Italy) to create a Masters in Manufacturing 4.0 program. Funded by the Region of Piedmont, this two-year postgraduate program is designed to attract the best graduates in engineering from Italian and foreign universities, and provide them specialized training in industrial automation. The curriculum also includes a focus on environmental sustainability and vehicle emissions reduction. Courses are taught in part by Comau managers and are conducted entirely in English, with 660 hours of project work at Comau in the second year. Many engineers were hired into the Comau apprenticeship program from the seven graduating classes, a clear indication of the success of the program.

Rota do Saber

FCA launched the Rota do Saber program in 2015, near the Company's plant in Goiana (Brazil). This program trains elementary school teachers and school administrators to improve public education. In the city of Igarassu, where the program has been in place for three years, the Basic Education Development Index in elementary school grew 46%, from 2.8 to 4.1, exceeding the target of 3.8 defined by the Brazilian Government. In 2018, the Rota do Saber initiative was expanded to the city of Betim, reaching an additional 30,000 students, 1,000 teachers and about 69 schools.

04

PRODUCTS AND CUSTOMERS

RESEARCH AND DEVELOPMENT

04

FCA's history of innovation spans more than a century. It is marked with numerous engineering breakthroughs that are now standard equipment, industry-wide, around the world. We remain committed to delivering this level of excellence, and recognize that our success depends on our ability to develop innovative, high-quality products that consumers are proud to own and drive. Innovation plays a key role in product research and development, and the Group uses internal idea generation, research projects and partnerships. 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 relating to the development of autonomous driving technologies.

KEY FIGURES

5,726 patents
and applications registered

46 research
and development centers

€3.5 Billion
in research and development

18,000 FCA employees
devoted to research
and development

RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

RESEARCH AND DEVELOPMENT

FCA's global research and development activities are aimed at improving the design, performance, safety, fuel efficiency, reliability, consumer perception and sustainability of the Group's products and services.

During our 2018 sustainability-focused stakeholder engagements, FCA stakeholders reconfirmed research and innovation as one of the key material topics for the Group.

In 2018, the Group invested approximately €3.5 billion in research and development, representing around 3.2% 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. At year-end 2018, FCA had 5,726 patents and patent applications, and 1,941 protected product designs. Patent applications are filed in Europe, the U.S. and around the world to protect technology and improvements considered important to our business.

Important areas of focus for the Group's research and development activities and business plan include:

- continuing to collaborate and partner with technology and auto industry leaders - these initiatives provide the opportunity to leverage each other's capabilities and achieve the synergies and economies of scale needed to advance the development of autonomous driving technologies
- 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.

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 primary FCA R&D facilities are located in Turin and Modena (Italy), Auburn Hills (U.S.) and Windsor (Canada). In 2018, a new facility was dedicated at FCA's Chelsea Proving Grounds (U.S.) to further develop and test autonomous vehicle and advanced safety technologies. The facility was built for testing various levels of autonomy and enables the Company to evaluate FCA vehicles using test protocols from third parties, such as the Insurance Institute for Highway Safety (IIHS), U.S. New Car Assessment Program (NCAP) and European New Car Assessment Program (EuroNCAP), plus additional electronic brake test simulations.

INNOVATION AND COLLABORATION

FCA fosters innovation by encouraging creativity among our workforce, as well as through collaboration with suppliers and external organizations such as universities, research centers and other institutions. Inviting, including and empowering diverse viewpoints can promote more effective collaborations, innovation and better decision making.

Product and process improvements may also result from suggestions and ideas from other FCA areas, in addition to Engineering. In 2018, the global World Class Manufacturing program that promotes employee suggestions to improve processes produced 2.4 million suggestions. The most actionable suggestions were implemented and the project owners were recognized for their contributions.

Among other methods, FCA stimulates innovation internally through training and workshops at our Innovation Spaces located around the world. The Innovation Teams support employees with idea generation, problem solving, process optimization, and strategy and vision development. Creative and unique approaches are used to unlock alternative thinking and generate new solutions. One interesting technique explored is biomimicry, an approach to innovation that seeks solutions to human challenges by emulating nature's designs and processes.

Collaborative Research

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. Collaboration is promoted in many different ways by the individual FCA companies and across the Group.

FCA's collaboration with Politecnico of Turin (Italy) and the University of Windsor (Canada) through the International Dual Master's Degree (IDMD) Program demonstrates our commitment to global research and internationalization. Additionally, FCA completed the Leadership in Automotive Powertrain (LEAP 1) project with McMaster University (Canada) to develop next-generation, energy-efficient, high-performance, cost effective electrified powertrain components and control systems suitable for a range of vehicle applications. This collaboration has been renewed for three years as the "Car of the Future" project, and has contributed substantially to technical advancements, but just as importantly, to the expansion of existing FCA employee competency and to new employees engaged in the field of hybrid and electric vehicle technologies.

FCA US is a 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. Participation in USCAR provides access to more than 400 projects with national laboratories, research centers, industry partners and universities in conjunction with U.S. DRIVE, a partnership between USCAR, the U.S. Department of Energy (DOE), and energy and utility companies. USCAR is also involved, through collaboration with the United States Advanced Battery Consortium (USABC), with 25 active and completed advanced battery technology programs with a total cost-shared value of nearly €73 million. The USCAR/USABC/DOE collaboration allows for a total of approximately €106 million of cost-shared funding over a five-year period for the advancement of battery technology. The emphasis of this collaboration is to accelerate the development of automotive battery technology among industry partners within the U.S.

Collaborative Research Projects: European Technology Platform

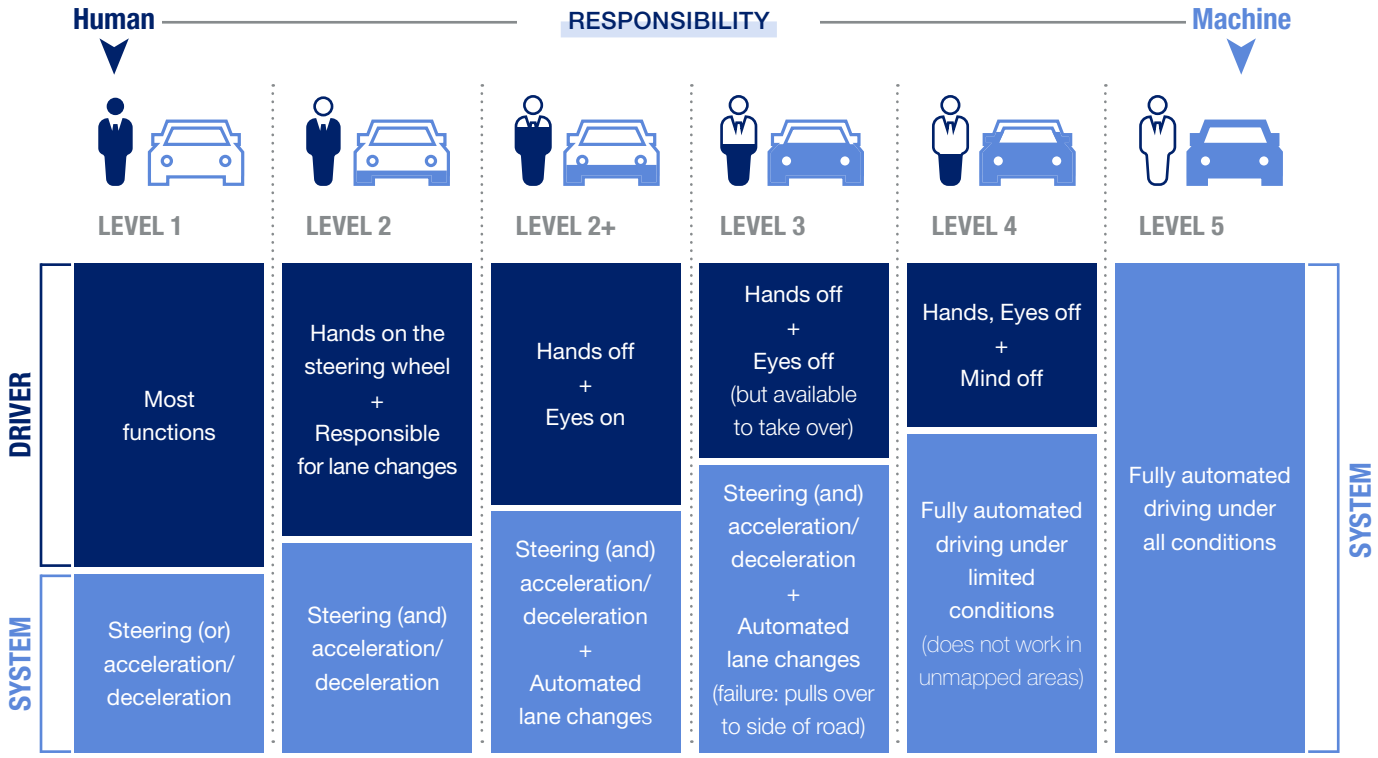
FCA, through CRF, our research center in Europe, plays an active role in the European Technology Platforms. It is the focal point for collaborative research programs on topics related to, among others, autonomous driving; connectivity; electrification and eco-driving; lightweighting and materials; and circular economy initiatives.

VIEW DATA

AUTONOMOUS DRIVING

FCA's 2018-2022 business plan, presented in June 2018, describes the challenges and opportunities presented by the advances in autonomous vehicle technology. 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. Autonomous technology demonstrates the ability of vehicle systems to take over an increasing number of tasks which are currently performed by the driver.

Our plan involves pursuing a multi-partner strategy for developing advanced driver assistance and autonomous driving technologies, working with leaders in their respective industries.



We are collaborating with Waymo, Google's self-driving technology company, to integrate its self-driving technology into the Chrysler Pacifica Hybrid. Production of the first 100 Chrysler Pacifica Hybrid minivans built to enable fully self-driving operations was completed in late 2016, with nearly 600 minivans joining Waymo's self-driving test fleet to date. In 2018, we announced that we would expand our partnership with an agreement to add up to 62,000 Chrysler Pacifica Hybrid minivans to Waymo's self-driving fleet.

We have launched Highway Assist autonomous vehicle technology on several Maserati models. This system includes Mobileye vision technology to enable autonomous driving on designated highways. We are also partnering with BMW for Level 3 autonomy and with Aptiv for Level 2+ advanced driver assistance retail solutions. FCA is also working with our suppliers to develop a cloud-based global connectivity solution that will connect to the Internet and an FCA-specific service delivery platform to allow the driver and passengers to interact with the car and the outside world. The solution is intended to be scalable, increase safety and security, and provide real time availability of services and information.

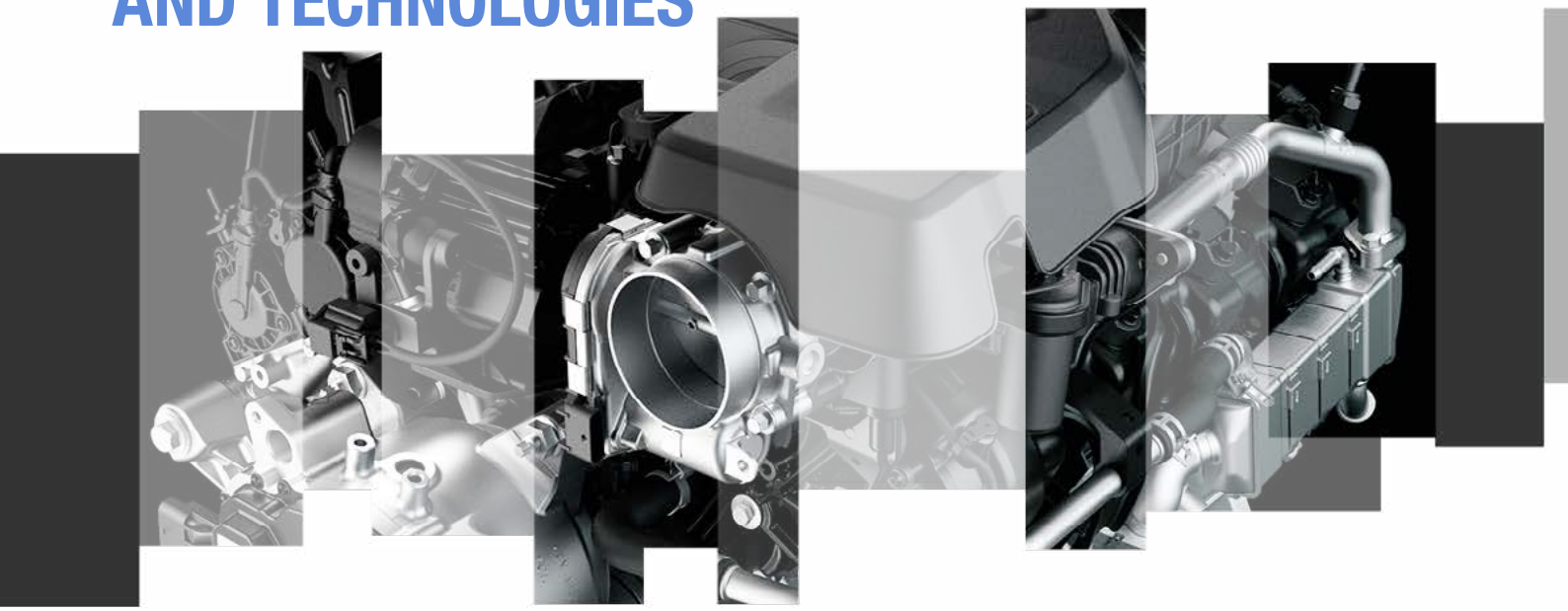
CYBERSECURITY

Although "being connected" has gained in importance among many individuals, there is a fast-growing concern in the automotive industry related to cybersecurity. In response, FCA has put in place a cross-functional team of professionals focused on the cybersecurity of our corporate systems and vehicles through activities such as threat monitoring, design enhancements, and third-party penetration testing. Cybersecurity is considered throughout a vehicle's life cycle, including during development, manufacturing and service. In addition, FCA continues to offer a financial reward for discovery and reporting of potential cybersecurity vulnerabilities through a crowdsourced bounty program. FCA is a founding member with active engagement in the Automotive - Information Sharing and Analysis Center (Auto-ISAC). The Auto-ISAC enhances the industry's ability to quickly learn of new threats and vulnerabilities and to work in a collaborative manner on threat triage.

> "We announced an agreement to add up to 62,000 Chrysler Pacifica Hybrid minivans to Waymo's self-driving fleet."

04

EFFICIENT POWERTRAINS AND TECHNOLOGIES



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 acknowledges the challenges posed by climate change and has established targets to contribute to the goal of transitioning to a low-carbon future.

KEY FIGURES

up to 62,000
Chrysler Pacifica Hybrid minivans to be added to Waymo's self-driving fleet

30 nameplates
by 2022 expected to feature electrified propulsion systems

RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

ALL-NEW 2019 RAM 1500

The all-new 2019 Ram 1500 is one of the largest vehicles in the FCA product range, but nonetheless represents what can be achieved through innovation. The vehicle features technology and fuel efficiency improvements that have not previously been offered in a pickup truck. The powertrain and engineering attributes of the 2019 Ram highlight FCA's commitments to improve vehicle fuel economy.

Fuel Efficiency

- 2019 Ram 1500 delivers significant gains in fuel efficiency with an eTorque mild hybrid system on second generation 3.6-liter Pentastar V-6 and 5.7-liter HEMI® V-8 engines
- eTorque combines a belt-drive motor generator unit with a 48-volt battery pack to enable start/stop function, short-duration torque assist and brake energy regeneration
- Fuel economy is U.S. EPA rated at 22 (combined) miles per gallon (mpg) in rear-wheel drive and 21 (combined) mpg in four-wheel-drive Ram 1500 models. The combined mpg rating is improved 10% from the previous model
- New generation of TorqueFlite 8-speed automatic transmissions provides improved efficiency with more powerful control computers

Lightweighting

- Overall weight reductions total more than 100 kg net when compared to previous model
- By using effective high-strength steels, composites and aluminum, the 2019 Ram 1500 has dropped approximately 53 kg from the chassis alone
- Additional weight reductions balance out added content to provide new comfort and fuel-savings
- New frame features 98% high-strength steel to improve durability, weight and rigidity for improved handling
- New aluminum tailgate

Aerodynamics

- New Ram 1500 is the segment's most aerodynamic pickup with 0.357 coefficient of drag and features exclusive active aerodynamics: grille shutters, air dam and air suspension

POWERTRAINS AND ELECTRIFIED PROPULSION TECHNOLOGIES

Maximizing powertrain efficiency is part of FCA's commitment to reduce vehicle CO_2 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.

Engines

New global small and global medium displacement gasoline engine families have been developed to improve fuel economy and emissions. These engine families feature a modular approach using a shared cylinder design (allowing for different engine configurations, displacements, efficiency and power outputs). When fully deployed, these engine families will cover a large range of vehicle applications and introduce features and technologies such as direct fuel injection, downsizing, integrated exhaust manifold, Multiair variable valve lift, turbocharging, and cooled exhaust gas recirculation. All of these features enable the engine families to be competitive among small and medium displacement engines with respect to fuel consumption, performance, weight and noise, vibration and harshness (NVH) behavior.

Both a 1.0-liter three cylinder and a 1.3-liter four cylinder naturally aspirated Firefly global small engine were launched in the LATAM region in 2016, and in 2018 the turbocharged variants of the global small engine launched in the EMEA region (in the Jeep Renegade and Fiat 500X). In November 2018, FCA announced a new module at the Termoli plant (Italy) for production of turbo, naturally-aspirated and hybrid versions of the 1.0-liter and 1.3-liter Firefly engine.

The first global medium engine application (a 2.0-liter turbo four cylinder engine) was launched in the Alfa Romeo Giulia in 2016. In 2018, a dual overhead camshaft version of the global medium engine (with cooled exhaust gas recirculation) became available in the Jeep Cherokee and Jeep Wrangler. To meet increasingly more stringent air quality standards, we have employed the use of gasoline particulate filters with both global engine families in some EMEA and APAC markets.

FCA has been engaged in the development of new and improved aluminum alloys for engine use. This work has demonstrated an aluminum alloy capable of a 50% increase in strength at 300° Celsius when compared to other currently used aluminum alloys. While still in very early development, this type of alloy strength behavior has the potential to provide increased design flexibility for cylinder heads and cylinder blocks and help to enable increased engine efficiency.

Electric and Hybrid Technologies

FCA has developed 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 CO_2 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 2018 it was used in approximately 42% of FCA's global production volume.

In 2018, FCA launched three applications of mild hybrids using belt starter generator (BSG) technology. BSG technology offers improvements in fuel economy and a reduction in CO_2 emissions. This new 48-volt mild hybrid technology is marketed as "eTorque" in the all-new 2018 Jeep Wrangler equipped with the 2.0-liter turbo engine and the all-new 2019 Ram 1500 3.6-liter and 5.7-liter applications. The system offers faster and smoother stop-start functionality, a real-time powertrain efficiency optimization manager which balances motor and engine torque, enhanced and extended fuel shut-off during certain maneuvers, and regenerative braking to recharge the 48-volt battery. The system also delivers significant gains in fuel economy. For example, the 2019 Ram 1500 5.7-liter HEMI V-8 equipped with eTorque has a 13% improvement in city fuel economy and 10% reduction in combined CO_2 over the base HEMI in a 4x2 Crew Cab model.

The Chrysler Pacifica 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 CO_2 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 V-6 engine and the new eFlite hybrid transmission. This vehicle was introduced in the China market in 2017.

The Fiat 500e is FCA's full electric vehicle offering and is available only in the NAFTA market. It has an all-electric range of 84 miles and achieves 121 MPGe City, 103 MPGe Highway and 112 MPGe Combined. Since its introduction in the 2013 model year approximately 25,000 units have been sold.

At FCA's Capital Markets Day held on June 1, 2018, FCA revealed our 2018-2022 business plan, which presented our expectation to continue reducing CO_2 emissions. The plan anticipates that we will offer 12 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, 30 nameplates will feature one or more of these systems. Specific applications will align with each of FCA's brand attributes.

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 early 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).

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. This action would increase capacity to meet growing demand for our Jeep and Ram brands, including production of two new Jeep-branded white space vehicles, as well as electrified models. The proposed projects would create nearly 6,500 new jobs.

Transmissions and Driveline

Our transmission portfolio includes manual transmissions, dual dry clutch transmissions and automatic transmissions.

Our automatic transmission portfolio includes 8- and 9-speed units developed in an effort to provide our customers with improved efficiency, performance and drive comfort. Long travel damper and pendulum damper technologies are used to allow the engine to operate at a lower speed and higher torque. In this area the engine is more efficient at converting the fuel energy to mechanical energy.

Other improvements are used to reduce the power consumption of the transmission. The second generation TorqueFlite 8-speed improves transmission efficiency via improved line pressure control and reduced clutch drag. The addition of transmission oil heaters allows for the transmission to quickly warm up to operating temperatures and improve transmission efficiency. FCA is investigating many other technologies to increase transmission system efficiency such as selectable one-way clutches and reduced oil viscosity.

In support of global fuel consumption and CO_2 requirements, FCA has developed our first dedicated hybrid transmission, the eFlite, used in the Chrysler Pacifica Hybrid. The new eFlite hybrid transmission architecture is an electrically variable front wheel drive transaxle with a split input configuration and incorporates two electric motors, both capable of driving in full electric mode. The lubrication and cooling system makes use of two pumps, one electrically operated and one mechanically driven. The FCA team expects future hybrid vehicle portfolio growth with the eFlite transmission and similar electrified propulsion systems.

ALTERNATIVE FUELS

FCA's vehicle emission reduction strategy includes the use of alternative fuels, from natural gas to biofuels, offering technologies that are aligned with the fuels available in various markets, and capable of reducing emission levels.

Natural Gas

FCA is among the EU-market leaders in compressed natural gas (CNG) propulsion. Since 1997, the Group has sold approximately 760,000 natural gas-powered cars and commercial vehicles. 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 studies have shown it generates 23% less CO_2 emissions compared with gasoline. In addition, natural gas has the potential to become a renewable fuel source in the form of biomethane.

Biomethane: a Renewable Fuel Source

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 CO_2 emissions as an electric-powered vehicle running on electricity generated from renewable fuel.

FCA is engaged in several projects to promote biomethane as a sustainable solution for transportation. Among these initiatives, a Fiat Panda Natural Power vehicle was delivered in 2017 to the CAP Group, the utility company that manages water works, sewage and treatment facilities in metropolitan Milan (Italy). Since then, the Fiat Panda Natural Power has recorded thousands of kilometers fueled by the biomethane made by the CAP Group from sewage sludge and waste water. In 2018, the project was included within the "Zerosprechi" campaign and presented to the Italian Parliament as a circular economy best practice.

Biofuels

In Europe, all engines sold are compatible with blends of up to 10% bioethanol with gasoline (E10), and up to 7% biodiesel with diesel (B7). 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 2018, more than 374,000 FCA Flexfuel vehicles were registered in Brazil, accounting for approximately 86% of vehicles licensed by the Group. FCA also offers vehicles capable of running on gasoline blends containing up to 85% ethanol (E85 flexible fuel) or biodiesel blends of up to 20% (B20) in the NAFTA region.

EFFICIENCY SOLUTIONS

FCA augments our powertrain innovations by integrating technologies that optimize energy demand of our vehicles. These include improving aerodynamics, reducing weight, minimizing tire rolling resistance and brake drag, offering engine stop-start systems and using thermal control technologies.

The wider use of smart technologies, which provide dynamic management of the vehicle's powertrain systems, has contributed to an improved balance between performance and fuel economy. These technologies include smart charging, optimized engine cooling systems and cylinder deactivation. The value of thermal management, or using available "waste" thermal energy, is being leveraged in multiple products. This approach allows vehicle systems to operate at a higher efficiency by tailoring individual components to run at more optimal temperatures. The Group believes that there is still significant potential to reduce the fuel consumption and emission levels of these engines through technological advancements.

Improved Aerodynamics

Fuel economy can be improved by optimizing vehicle aerodynamic performance. FCA strives to reduce the aerodynamic drag of our vehicles, and also uses active aerodynamic technologies that are automatically activated under certain conditions to improve aerodynamic drag and reduce fuel consumption and CO_2 emissions. Depending on the vehicle, these active technologies may include active grille shutters, active aero front splitters, and air suspension.

From the earliest development stage, the aerodynamic performance of every vehicle profile is measured, optimized, tested and certified in the world-class, full-scale, aerodynamic wind tunnels of the Group.

The 2019 Ram 1500 achieves a 0.357 drag coefficient. The vehicle's aerodynamic performance contributes to its fuel efficiency and features exclusive active aerodynamics including grille shutters, air dam and air suspension.

Weight Reduction

FCA aims to design and produce lighter, more fuel-efficient vehicles that also meet the expectations of our customers. This includes adopting a number of weight reduction solutions that help manage vehicle energy demand and improve fuel economy. For example, the 2019 Ram 1500 achieved a total weight reduction of more than 100 kg compared to the outgoing model, by using high-strength steels, composites and aluminum. The frame is made from 98% high-strength steel and notable weight reductions were made by switching to aluminum in the tailgate, engine mounts and other chassis elements.

Minimizing Tire Rolling Resistance

FCA uses a variety of solutions to reduce rolling resistance, which contributes directly to improvements in fuel efficiency and CO_2 emissions. Low rolling resistance tires, for example, are offered on selected FCA models globally.

EMISSIONS AND FUEL ECONOMY

FCA addresses the fuel economy and CO_2 emissions of our vehicles at the start of the product development process by focusing on:

- powertrain technologies (e.g., engines, transmissions, hybrid and electric propulsion)
- vehicle energy demand (e.g., aerodynamics, weight, tire performance).

FCA vehicles must comply with comprehensive local, regional and national laws and regulations with respect to vehicle emissions and fuel economy. The Group develops technologies that respond to these regulatory requirements, while also addressing vastly different consumer preferences and demands around the world. In support of this, the Vehicle Safety and Regulatory Compliance organization in the four regions where FCA operates report to the Company's Chief Technical Compliance Officer.

> "The wider use of smart technologies, which provide dynamic management of the vehicle's powertrain systems, has contributed to an improved balance between performance and fuel economy."

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.

The 2018-2022 business plan presented our expectation to continue reducing CO_2 emissions through a collection of technologies that will vary by market, and align with the vehicle mix, consumer needs and regulatory framework.

The regulatory environment outlook across our four major regions shows continued consistent CO_2 reductions, ranging from 25-30% between 2018 and 2024. This anticipated regulatory stringency balanced with customer preferences guides research and development for future products and will be highlighted below by region and key product segment.

NAFTA

The U.S. policy is complex with three separate CO_2 regulations, but it also contains a flexible array of new technology incentives to encourage industry movement toward an electrified future. For instance, U.S. regulation includes a tax credit to consumers of up to $7,500 to jump start demand, which is required given relatively low fuel prices and increasing consumer preference for SUVs and trucks in the market.

American consumers tend to have long commutes and ready access to charging capability at home. FCA plans, by 2022, for 20% of our overall fleet (including commercial vehicles) to be high voltage, with a focus on plug-in systems, 15% of the fleet to be equipped with mild hybrid systems and 65% to retain conventional internal combustion engines.

LATAM

With its ability to grow sugar cane in high volume, Brazil is able to address CO_2 reduction with a different approach. Today about 30% of vehicle fuel usage in Brazil consists of sugar cane produced ethanol. Sugar cane ethanol is 80% renewable from “well” (or field) to wheels and provides approximately 12.5% CO_2 reduction on an equivalent 30/70 fuel mix E100/E22 basis. The Brazilian government recently launched a plan (RenovaBio) to improve quality and productiveness of ethanol, targeting an increase of share on Ethanol E100 in the fuel matrix from the current 30% to 40% in 2022 and to 55% in 2030. In addition, the Brazilian government and FCA are working very closely on research and development opportunities to further reduce CO_2 emissions through improvements to ethanol-fueled engines.

Brazilian consumers already widely use ethanol fuel, readily available in the current retail fuel market. FCA believes that Brazilian fleet CO_2 reduction targets will be met through 2025 with increased usage and efficiency of its ethanol based engines and without any high voltage electrification.

APAC

China is leading the rapid change in this region. The Chinese government has stated intentions to become the global leader in electrification in the next decade. The regulatory policies include credit multipliers and incentives for new energy vehicles which are defined as battery electric, plug-in hybrid, or fuel cell vehicles.

Some large cities provide consumers with license plate incentives for new energy vehicles. Given these incentives can be as high as €11,000 per vehicle, we believe they will be successful in driving the market toward electrification.

From a consumer perspective, China has the highest number of first time car buyers in the world. Since much of the vehicle consumer demographic resides in urban areas, access to public charging is expected to be a critical element to achieving China’s electrified objectives.

FCA’s plan is, by 2022, for 15% of the overall fleet (including commercial vehicles) to use high voltage electrification, with the highest penetration of full battery electric of any region, 20% of the fleet to be equipped with a hybrid system and 65% of the fleet to retain conventional internal combustion engines.

In contrast to China, India continues to be a very cost sensitive market with a developing infrastructure. As a result, increased regulatory requirements are expected to be met through application of shared conventional technologies with limited dependence on electrification.

EMEA

Europe represents the most challenging combination of regulatory stringency and consumer price sensitivity. The EU is driving a step function reduction in CO_2 in 2020, and metropolitan areas are implementing low emission zones in an attempt to improve air quality in city centers. Conventional internal combustion engine applications will likely be restricted, especially with aging vehicles. The CO_2 financial penalty structure is very significant.

Many consumers in Europe need reduced cost of vehicle ownership given high fuel prices and pressure on disposable income. As the demand for diesels continues to decrease, FCA intends to use mild hybrids as a replacement. The region will need to address the development of charging infrastructure so that zero emission vehicles are more convenient for consumers.

FCA’s plan is, by 2022, for 20% of the overall fleet (including commercial vehicles) to use high voltage electrification, 40% of the fleet to be equipped with a mild hybrid system and 40% to retain conventional internal combustion engines.

European Union

In Europe, emissions are regulated by the European Commission (EC) and the United Nations Economic Commission for Europe (UNECE). The EC imposes standardized emission control requirements on vehicles sold in all 28 EU member states, while non-EU countries apply regulations under the UNECE framework.

Euro 6 emission levels are in effect for all passenger cars and light commercial vehicles and require additional technologies, which further increase the cost of diesel engines compared to prior Euro 5 standards. Further requirements of Euro 6 have been developed by the EC and became effective for all new passenger cars registered after September 1, 2018. In addition, a new test procedure to directly assess the regulated emissions of light duty vehicles under real driving conditions became effective for newly homologated passenger cars in 2017 and will become effective for all new passenger cars registered in 2019 and for new light commercial vehicles registered in 2020.

Each automobile manufacturer must meet a specific sales-weighted fleet average target for CO_2 emissions as related to vehicle weight. This legislation sets an industry fleet average target of 95 grams of CO_2 per kilometer starting in 2020 for passenger cars (130g/km until 2019).

The EU has also adopted standards for regulating CO_2 emissions from light commercial vehicles (LCVs). This regulation requires that new light commercial vehicles meet a fleet average CO_2 target of 147 grams of CO_2 per kilometer in 2020 (175g/km until 2019).

In December 2018, the European Institutions agreed on new CO_2 emissions targets starting from 2025 and 2030: 15% reduction from 2021 levels in 2025 (both passenger cars and LCV) and a 37.5% reduction for passenger cars and 31% reduction for LCV in 2030 from 2021 levels.

A new regulatory test procedure for measuring CO_2 emissions and fuel consumption of light duty vehicles, the World harmonized Light vehicles Test Procedure (WLTP), entered into force on September 1, 2018 for all passenger cars. The WLTP is expected to provide CO_2 emissions and fuel consumption values that are more representative of real driving conditions.

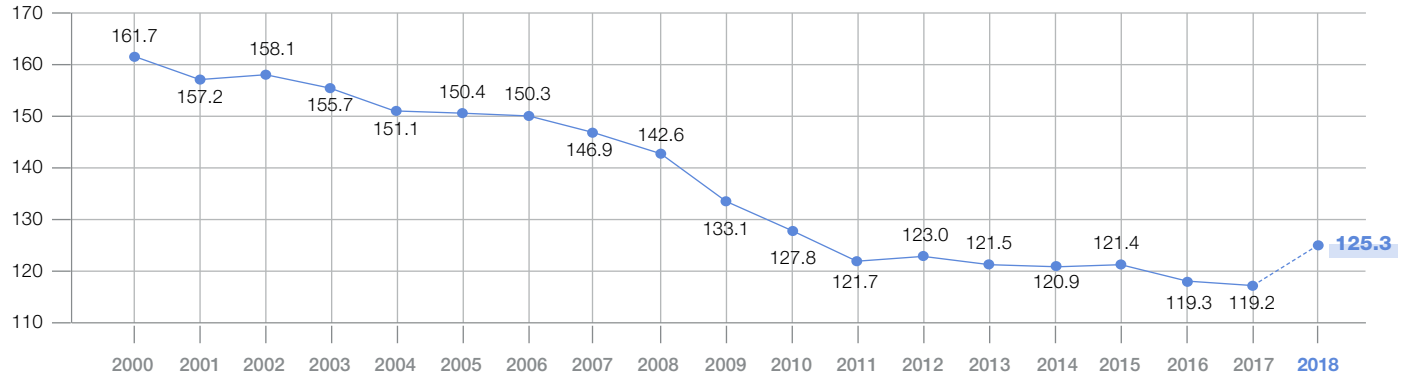
In the European Union (EU), FCA has set a target to achieve a 40% reduction in CO_2 emissions by 2020 compared with the baseline of 2006 for mass-market cars sold in Europe.

In the EU, the average CO_2 emissions of the Group's mass-market cars is 125.3 g/km in 2018. This represents a 17% decrease compared with 2006 (the benchmark year used in EU regulations to set the 2012-2015 and 2020 targets), and a 23% reduction compared with 2000, which was the first year the EU Commission monitored average emissions.

The Group's average CO_2 emissions in 2018 was affected mainly by three factors that led to an increase compared to 2017: the decrease in diesel vehicle sales in favor of gasoline vehicles; the shift of sales to high-end segments; and the new engine calibration and commercialization of vehicles compliant with the new Euro 6d-TEMP standard, which includes the new Real Driving Emissions (RDE) test to verify emissions under real driving conditions.

AVERAGE CO_2 EMISSIONS FOR NEWLY-REGISTERED PASSENGER CARS

FCA mass-market cars in the European Union (g/km)



Source: 2000-2017 EU Commission data; 2018 FCA estimate. CO_2 values are defined in accordance with EU Regulation 692/2008 and on the basis of the measurement / correlation method referring to the NEDC cycles as per Regulation EU 2017/1153.

United States

In the U.S., vehicle fuel efficiency is measured by fuel economy expressed in miles per gallon (mpg). An increase in fuel economy corresponds to an increase in vehicle efficiency, and a corresponding reduction of fuel consumption and CO_2 emissions. Several regulatory agencies, including the National Highway Traffic Safety Administration (NHTSA), the U.S. Environmental Protection Agency (EPA), and the California Air Resource Board (CARB) monitor vehicle fuel economy and greenhouse gas (GHG) emissions.

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. The rules provide for year-over-year increases in each automaker's average fleet-wide fuel economy, and corresponding decreases in GHG emissions, through model year 2025. This standard is currently undergoing a "mid term" review 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 EPA/NHTSA industry goal and described the plan for achievement of this objective in the business plan.

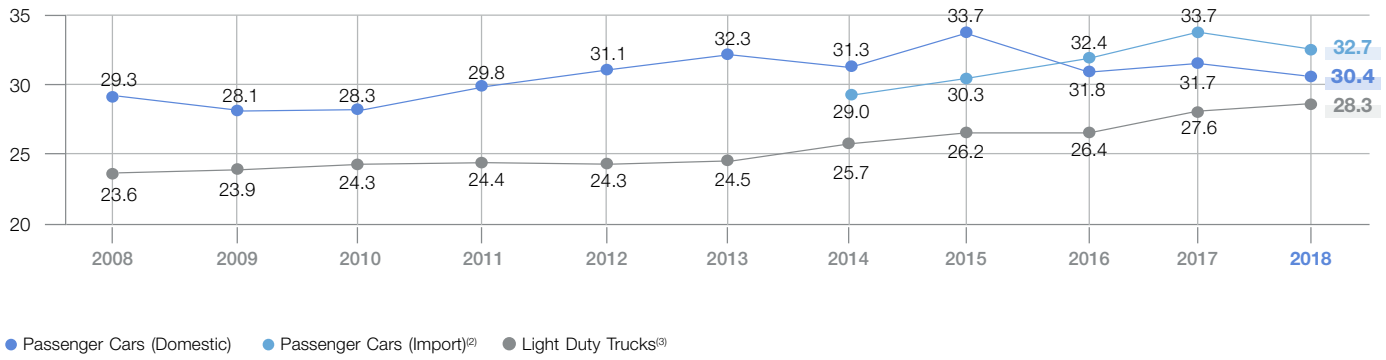
FCA has also set a target to achieve at least a five to 15% improvement in fuel economy for major renewals of FCA US vehicles compared with replaced vehicles/models. This target has been achieved, and in some cases surpassed, in the years since it was established.

The all-new 2018 Jeep Wrangler, when equipped with the new 2.0-liter turbocharged variant of the global medium engine family, achieved an improvement in fuel economy of over 30% versus the preceding model equipped with the 3.6-liter engine. The 2.0-liter reduces vehicle energy demand by deploying eTorque assist mild hybrid technology. The eTorque system captures braking energy and uses it to assist the vehicle during launch and in other transient situations to reduce fuel consumption in everyday driving. The all-new 2019 Ram 1500 also offers our new eTorque mild hybrid system and it contributes to a 10% improvement in fuel economy versus the preceding model equipped with the 3.6-liter engine.

Corporate Average Fuel Economy (CAFE) is the sales-weighted average fuel economy that a manufacturer's fleet must achieve. NHTSA's regulations set these standards independently for domestic and imported passenger cars, as well as for light duty trucks. FCA's truck fuel economy (including SUVs, pickup trucks and minivans) improved 2.5% from 2017 to 2018, increasing from 27.6 to 28.3 mpg, whereas domestic and import passenger car fuel economy decreased. Actual fleet performance is dependent on many factors, including the vehicles and technologies FCA offers, as well as the mix of vehicles consumers choose to buy. In response to a continued shift in demand toward trucks and SUVs in the U.S., FCA is implementing a significant realignment of our manufacturing footprint and describes this in the business plan.

FUEL ECONOMY ACCORDING TO CAFE STANDARDS[1]

FCA vehicles sold in the U.S. (mpg)



[1] Data reported to NHTSA is provided by model year, the year used to designate a discrete vehicle model, irrespective of the calendar year in which the vehicle was actually produced, provided that the production period does not exceed 24 months. Fuel economy is based on the most recent NHTSA required submission, which for 2018 reflects mid-model year data. Previous year data in the table is adjusted to reflect final EPA/NHTSA reports.
[2] FCA's import passenger car fuel economy was first reported in 2014, and includes both mass-market and luxury vehicles sold in the U.S., including Fiat, Maserati, Alfa Romeo and Ferrari brand vehicles. The spin-off of Ferrari from the Group was completed on January 3, 2016 and is included through 2015.
[3] Vehicles for the transportation of passengers and/or goods with specific characteristics defined by NHTSA (e.g., SUVs, MPVs and pickups).

Other Markets

In countries in the APAC and LATAM regions, including those without specific regulations governing CO_2 emissions or fuel consumption, FCA offers vehicle technology designed to reduce both.

Brazil

In July 2018, the first regulations related to Rota 2030 were enacted in Brazil, the major market in the LATAM region. Rota 2030 is a long-term program (three cycles of five years each) which includes key principles related to energy efficiency for all vehicles sold in Brazil. Key Rota 2030 regulations were approved by the Brazilian Congress and sanctioned by the Brazilian President in December 2018 as well as ordinary regulations to address certain minimum requirements and other metrics.

The regulation for the next phase of Energy Efficiency (CO_2/fuel efficiency) beginning in 2022 incorporates three fleets split into passenger, large SUV and light commercial vehicle categories. Among other things, the rule rewards the improvement of sugar cane ethanol combustion efficiency and also recognizes and provides credit flexibilities for technologies that provide benefits in conditions that are not seen on the standardized government test cycles.

In Brazil, gasoline contains 22% ethanol, diesel contains 8% biodiesel and pure ethanol (E100) accounts for about 30% of sales by volume. More than 374,000 Flexfuel vehicles were registered in 2018, accounting for approximately 86% of the vehicles licensed by the Group in this market. FCA participates in the government's vehicle fuel consumption monitoring program (PBEV - Brazilian Labeling Program Vehicle).

China

China 5 standards, which mirror Euro 5 standards, are currently in place in China nationwide. China 6 standards were released in 2016 and will be required nationwide beginning in July 2020 with China 6a thresholds and in July 2023 with China 6b thresholds. China 6a and 6b have more stringent tailpipe emissions thresholds than Euro 6 and also add European Union (EU) real driving emissions and U.S. onboard diagnostics, onboard refueling vapor recovery and evaporative emission control system requirements. Some regions within China will implement China 6b prior to July 2023, such as Beijing (beginning in early 2020) and Tianjin, Shanghai, Guangzhou and Shenzhen (beginning in July 2019) with more regions expected to follow. FCA's entire China fleet has been developed with the intent to meet China 6 standards.

With respect to fuel economy, in China Phase IV of the Corporate Average Fuel Consumption (or CAFC) is currently in place and provides an industry target of 5.0 liters per 100 kilometers by 2020. Each OEM must meet a specific fleet average fuel consumption target related to vehicle weight. The phase-in of this fleet-average requirement began in 2016, with increasing stringency each year through 2020. Additional provisions for Phase IV include meeting a quota for New Energy Vehicles (NEVs) beginning in 2019. NEVs consist of plug-in electric hybrids, battery electric vehicles, and fuel cell vehicles. No off-cycle credit flexibilities exist in the China regulation, although credit multipliers are granted for NEVs.

A draft version of the Phase V rule has been distributed by the Chinese government with increasing stringency reaching a target of 4.0 liters per 100 kilometers by 2025.

In September 2017, China's Ministry of Industry and Information Technology released administrative rules regarding CAFC and NEV credits that became effective in April 2018.

The Group aims to implement fuel efficient technical solutions such as engine stop-start (ESS). The 2018 Jeep Wrangler and locally-produced Jeep Renegade, Jeep Compass and Jeep Grand Commander have ESS as a standard configuration. In addition to ESS, the new Jeep Wrangler offers the 2.0-liter global medium engine with turbocharger. It delivers a 2.6 liters per 100 km fuel savings compared to the previous model with the 3.0-liter Pentastar engine. The Chrysler Pacifica Hybrid was launched in China in April 2018, contributing to the fuel efficient technologies FCA offers in the region.

Regulatory Actions

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, of which approximately €350 million will be paid in civil penalties to resolve differences over diesel emissions requirements. We also announced that FCA US had reached settlements in connection with a putative class action on behalf of consumers in connection with which FCA US agreed to pay an average of $2,800 per vehicle for each eligible customer affected by the recall.

The settlements do not change the Company's position that it did not engage in any deliberate scheme to install defeat devices to cheat emissions tests. Further, the consent decree and settlement agreements contain no finding or admission with regard to any alleged violations of vehicle emissions rules.

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 by consumers who choose not to participate in the class action settlement.

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.

In Europe, we have been working with the Italian Ministry of Transport (MIT) and the Dutch Vehicle Regulator (RDW), the authorities that certified FCA diesel vehicles for sale in the European Union, and the UK Driver and Vehicle Standards Agency (DVSA). We also initially responded to inquiries from the German authority, the Kraftfahrt-Bundesamt (KBA), regarding emissions test results for our vehicles, and we discussed the KBA reported test results, our emission control calibrations and the features of the vehicles in question. After these initial discussions, the MIT, which has sole authority for regulatory compliance of the vehicles it has certified, asserted its exclusive jurisdiction over the matters raised by the KBA, tested the vehicles, determined that the vehicles complied with applicable European regulations and informed the KBA of its determination. Thereafter, mediations have been held under European Commission (EC) rules, between MIT and the German Ministry of Transport and Digital Infrastructure (BMVI), which oversees the KBA, in an effort to resolve their differences. The mediation was concluded with no action being taken with respect to FCA. In May 2017, the EC announced its intention to open an infringement procedure against Italy regarding Italy's alleged failure to respond to EC's concerns regarding certain FCA emission control calibrations. The MIT has responded to the EC's allegations by confirming that the vehicles' approval process was correctly performed.

In addition, at the request of the French Consumer Protection Agency, the Juge d'Instruction du Tribunal de Grande Instance of Paris is investigating diesel vehicles of a number of automakers including FCA, regarding whether the sale of those vehicles violated French consumer protection laws. In December 2018, the Korean Ministry of Environment announced its determination that 2,428 FCA vehicles imported in Korea during 2015, 2016 and 2017 were not emissions compliant and that the vehicles with a subsequent update of the emission control calibrations voluntarily performed by FCA, although compliant, would have required re-homologation of the vehicles concerned.

04

APPLICATIONS OF THE CIRCULAR ECONOMY

FCA leverages the potential to reduce the environmental footprint of our products by embracing the concept of the circular economy. Our design approach addresses the environmental footprint of products throughout their life cycle, and integrates eco-compatible materials and design choices that maximize recovery and recycling for end-of-life vehicles.

KEY FIGURES

Life Cycle Assessment
used to support transition to circular economy

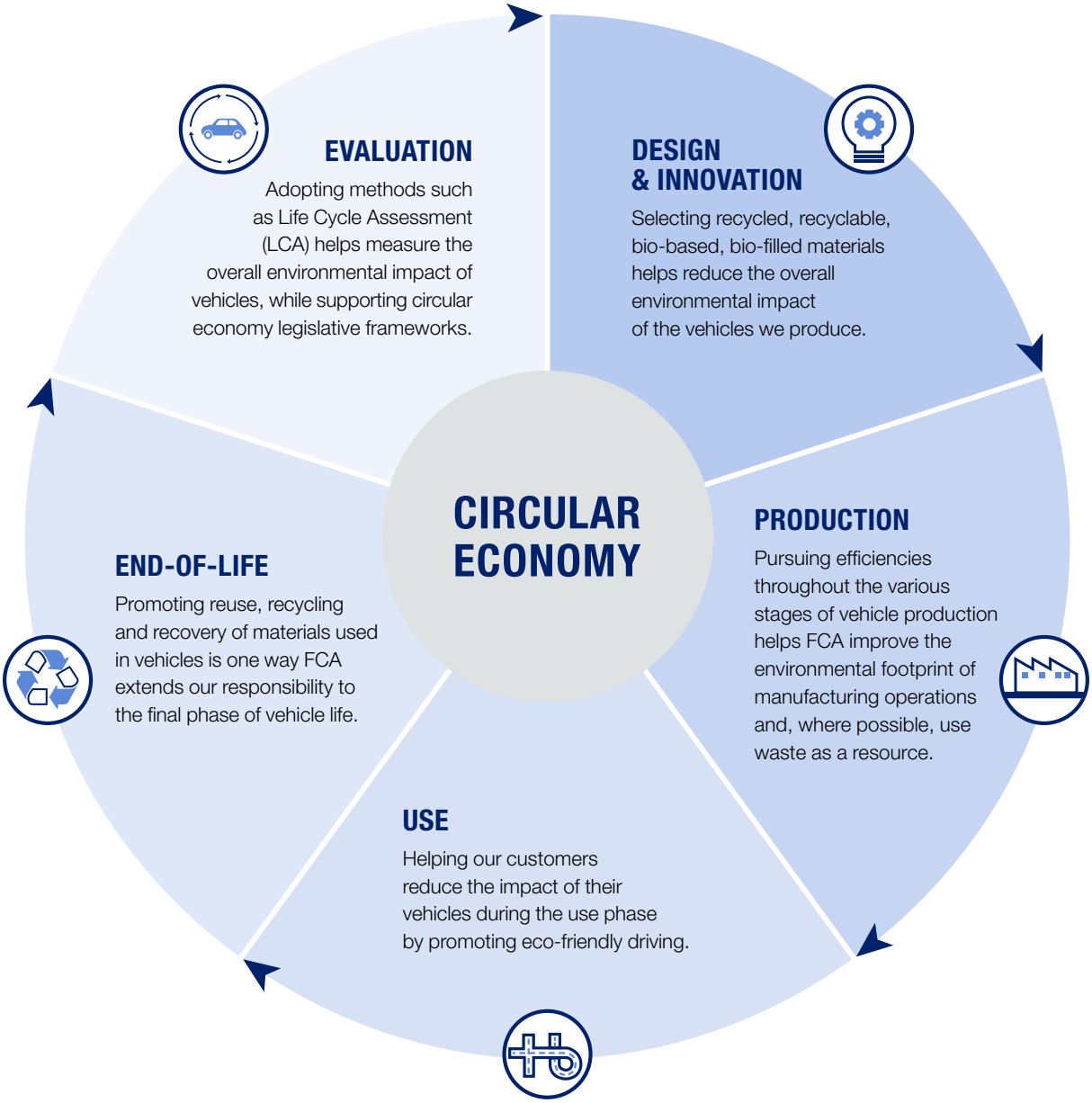
4,500+
remanufactured parts offered globally

RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

APPLICATIONS OF THE CIRCULAR ECONOMY

FCA's sustainability practices help support global efforts to stimulate the transition toward a circular economy that is focused on maximizing the value and use from materials, products and waste.
FCA favors a well thought-out and balanced approach that addresses a full spectrum of opportunities.

The main topics related to the Circular Economy fall under the responsibility of the Product Development and Vehicle Safety and Regulatory Compliance organizations. The heads of these two areas report directly to the FCA Chief Executive Officer. Their responsibilities include conducting Life Cycle Assessments (LCA) on FCA's products and processes in order to move toward sustainable environmental development; managing end-of-life vehicles (ELV); and verifying and maintaining the requirements for materials and substance usage.



MATERIALS AND SUBSTANCES

FCA supports using recycled and renewable materials in our new products. The amount of renewable or recycled content included in our vehicles varies depending on performance requirements and the market availability of such materials. For some types of materials in our vehicles (e.g., metal), the percentage of recycled content is significant, less so for other materials such as polymers and elastomers, though efforts are in place to increase the percentages.

Material innovation and development is conducted by FCA's Group Material Labs (GML) in Europe and the Materials Engineering organization in the U.S. The GML also monitors changes in legislation and assesses potential implications on the Group's products and processes. In 2018, the Materials Engineering organization approved sustainable materials for use in FCA vehicles. These materials contain recycled or bio/renewable content, or low emissions polymers. The new applications included recycled content on the Jeep Cherokee engine cover and air cleaner housings, and grades of synthetic suede for several vehicles.

FCA has established a closed-loop process to return aluminum and steel scraps to selected suppliers in Europe, and recycle them back into our manufacturing processes. Up to 25% of aluminum casting parts used in some powertrain applications in Italy are secondary alloys. We also promote the use of recycled plastics in our design requirements. For example, we manufacture gasoline tanks internally that are up to 39% recycled plastic by weight for certain European applications.

FCA participates in a variety of collaborative projects related to materials research, including:

- the SPIDER project, that aims to produce safe and environmentally friendly lithium-ion batteries by reducing or substituting critical raw materials like cobalt and graphite with other more sustainable metals such as nickel, titanium and silicon.
- the European Union's CarE-Service project, that aims to demonstrate innovative Circular Economy business models based on advanced mobility services. FCA's activities are mainly focused on re-use, remanufacturing and recycling end-of-life batteries from hybrid and electric vehicles.
- the REINVENT project, with the objective of producing polyols from renewable sources and bio materials from forest residue.
- a cooperative research project with FCA, Oak Ridge National Laboratory (U.S.) and a casting supplier, which created a new aluminum alloy for use in engine components. This alloy maintains its strength in heat well beyond components in current use, and can be cast and machined using existing technologies.
- a recently completed project with the Canadian National Research Council, to optimize nonwoven eco-substrates for interior trim applications and the fabrication of components on an industrial scale. The project successfully identified several bio-reinforcements capable of being used in door panel applications, as well as practical uses for recycled carbon fibers in similar applications.

Substances of Concern

FCA works to eliminate or reduce the use of Substances of Concern (SoC) that may impact human health or the environment.

We use the International Material Data System (IMDS) to track the composition of individual materials and components in our vehicles. Data from IMDS is then fed into FCA internal management systems, which are used to monitor the content of all vehicles and identify the presence of SoCs. These systems are crucial for tracking vehicle recyclability and recoverability, as well as monitoring SoCs included on the Global Automotive Declarable Substance List (GADSL).

FCA's internal standard of restricted and prohibited SoCs is made available to suppliers worldwide, which are required to adhere to IMDS and SoC disclosure obligations. It provides uniform global requirements, regardless of where the products are ultimately sold or marketed, that minimize market-specific uncertainty or interpretation while increasing transparency and clarity.

FCA has developed vehicle "indoor air" quality (VIAQ) evaluation standards which are part of our material approval process for interior materials. That approval process includes odor, Volatile Organic Compound (VOC), and other testing on in-cabin air and components to reduce detectable interior odors as well as to improve customer satisfaction.

FCA's attention focuses on substances identified in globally regulated Substances of Concern restrictions like the REACH[1] regulation and heavy metal ban.[2] This level of awareness and commitment to compliance is also critical to FCA suppliers with whom we collaborate closely in identifying technically and environmentally sustainable substitutes for substances that will be restricted in the near future.

[1] European Regulation 1907/2006 of December 18, 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH).
[2] Commission Directive 2017/2096/EU of November 15, 2017 amending Annex II to directive 2000/53/EC of the European Parliament and of the Council on End-of-Life-Vehicles.

LIFE CYCLE ASSESSMENT

FCA uses Life Cycle Assessment (LCA) to evaluate the environmental impact of materials, components, design and production processes. LCA considers multiple factors, such as energy and other resources consumed during production; use and recycling; and waste generation, which are measured based on ISO 14040 and ISO 14044 standards. Critical reviews by a third-party certification company verify the compliance of selected LCA studies with these standards. Collaborative LCAs related to materials, processes and automotive components are also conducted within several internationally-funded projects.

The results from vehicle LCAs may help contribute to the development of new, more environmentally-friendly products. In 2018, Life Cycle Assessments completed include:

- Maserati Ghibli 3.0-liter gasoline vs 3.0-liter diesel
- Maserati Levante 3.0-liter gasoline vs 3.0-liter diesel
- Fiat Ducato 2.3-liter diesel Euro 6b vs 2.3-liter diesel Euro 5+
- Fiat Cronos 1.3-liter Flexfuel vs Fiat Grand Siena 1.4-liter Flexfuel
- Jeep Renegade 1.8-liter Flexfuel vs Jeep Renegade 2.0-liter diesel

VEHICLE END-OF-LIFE MANAGEMENT

Pursuing a responsible approach across the value chain means looking beyond the design, production, delivery and use phases. FCA designs our products so that their environmental impact is also reduced at the point when the customer discards the vehicle at its end-of-life stage.

In the U.S., the environmental effects of vehicles at the end-of-life stage are reduced using a market-driven recycling infrastructure, making automobiles and their components among the most recycled consumer products in that country. In other markets, local legislations regulate end-of-life management activities and responsibilities. In the European Union, for example, EU Directive 2000/53 and the Circular Economy package describe required reuse, recycling and recovery activities. FCA participates in the review process of end-of-life vehicle (ELV) policies, supporting the development of new standards or regulations, such as vehicle and battery recycling.

In 2018, all Group vehicles sold in Europe were 95% recoverable and 85% recyclable by weight, in compliance with the EU's Reusability, Recyclability, Recoverability Directive.

FCA provides recyclability and recoverability information on vehicles exported to countries with ELV regulations. The FCA Vehicle Recycling Laboratory at the Automotive Research and Development Centre (ARDC) in Canada plays an important role to support vehicle end-of-life research and development. The ARDC performs vehicle teardowns to satisfy dismantling requirements for ELVs, and provides or helps confirm existing part information that is used to generate more accurate recyclability and recoverability information.

As our electrified vehicle portfolio continues to grow, FCA explores solutions for the life cycle management of lithium-ion batteries. We have partnered with a supplier on a program that collects high-voltage lithium-ion batteries and finds use for these batteries elsewhere. The Electric Vehicle Battery Recycling program is important due to the significant environmental footprint of these batteries. When batteries become available, FCA or a business partner notifies the supplier who retrieves and transports them for repurposing in non-automotive applications such as personal mobility devices, including motorized wheelchairs. This initiative offers consumers of these goods a lower cost option for the replacement of their batteries in addition to being a zero waste-to-landfill solution. Additionally, FCA participates in the U.S. Advanced Battery Consortium, a collaborative organization of automakers. This work group contains a number of battery-related projects, including those focused on recycling lithium-ion batteries to produce new cathode materials, which can reduce cost and increase energy density.

REMANUFACTURED PARTS

Dependence on raw materials for parts creates demand on natural resources, a demand that FCA strives to reduce by employing circular economy principles.

To provide a second life for selected parts used in FCA vehicles, the Company has developed specific product lines of remanufactured parts. These parts support the aftermarket needs of customers, simultaneously reducing the cost of vehicle ownership and decreasing the volume of salvageable materials heading to landfills. The FCA remanufactured product lines include air conditioning compressors, starters, alternators, brake calipers, electronic control modules, torque converters, steering and suspensions, as well as engine and transmission product categories. The number of product offerings continues to grow and represents more than 4,500 part numbers globally.

Through external specialized providers, FCA certifies the production of remanufactured parts in order to provide a repair solution that is equivalent to original equipment parts, and that carry the same warranty conditions as new parts.

CUSTOMER FOCUS

04

Among the most material topics for FCA and our stakeholders are vehicle safety and quality, which are key elements of the overall customer experience. We also recognize that the mobility options, support and services that customers may need are impacted by differences within each market such as the culture, individual preferences and driving experiences. With this in mind, FCA focuses on creating a positive customer experience throughout the purchasing and ownership process through our dealer network and many communication channels.

KEY FIGURES

28 languages
spoken at
Customer Contact Centers

~28 Million
contacts handled worldwide
by Customer Contact Centers

RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

VEHICLE SAFETY

Delivering safe products to our customers is a fundamental and unwavering objective of FCA, and is among the essential responsibilities described in our Code of Conduct. In 2018, FCA expanded our communication and enhanced the existing FCA Ethics Helpline system worldwide to encourage suppliers, dealers and other stakeholders to report concerns related to vehicle safety, emissions or regulatory compliance. FCA employees are required under our Code of Conduct to report such issues.

FCA believes that the automotive industry should adopt a systematic approach to ensure that vehicle safety remains a fundamental corporate value that protects drivers, passengers, the environment, and our communities, in a socially responsible and sustainable manner. To this end, we launched an internal Vehicle Safety Compliance Program to apply compliance principles to various operational functions that are dedicated to the regulatory framework of our industry. For example, under the program, our Code of Conduct, management communications, and publicity campaigns are aligned to reinforce our vehicle safety culture at all levels of the organization. Similarly, the program applies continuous improvement methodology to ensure that potential vehicle safety risks are identified, investigated, analyzed, and incorporated into specific initiatives and procedures within the Vehicle Safety Regulatory Compliance group.

Our suppliers have access to a web-based training program that instructs them on FCA's expectations and supplier-specific requirements of the U.S. Motor Vehicle Safety Act and regulations of the U.S. National Highway Traffic Safety Administration (NHTSA). This training was launched by FCA in 2017 and incorporated feedback from NHTSA. In 2018, collaboration began with the Automotive Industry Action Group and other automakers to make this training standardized and available throughout the automotive industry.

From a global perspective, the Vehicle Safety and Regulatory Compliance organizations in the four regions where FCA operates collectively report to the Company's Chief Technical Compliance Officer. This alignment further supports sharing information to harmonize guidelines and processes where possible, given the regulatory environment.

Safety Research

Our advanced engineering organizations around the world apply virtual reality methods and innovative technological solutions for virtual and physical tests. By analyzing the performance of vehicle safety systems in real-world collisions, we are able to develop future active and passive safety systems. The engineers develop and assess effective safety systems and concentrate on various aspects including safety levels in front, rear and side collisions for vehicles from different segments; protection of vulnerable road users; and integration of active and passive safety systems. These efforts not only strive to help improve vehicle safety but also result in the consistent implementation of upgrades to our testing equipment and methodology. In 2018, more than 2,400 impact and crash tests, including full-scale crash tests, were reviewed globally to understand performance to vehicle safety standards for vehicle occupants, as well as pedestrians and cyclists. In addition, more than 850 real accidents were reviewed at the Pomigliano Technical Center (Italy).

In 2018, a new facility was dedicated at FCA's Chelsea Proving Grounds (U.S.) for further development and testing of autonomous vehicle and advanced safety technologies. The facility features a dedicated autonomous highway-speed track, 35-acre safety-feature evaluation area and a high-tech command center.

FCA also actively participates in national and international groups and projects focused on areas of occupant and pedestrian safety such as developing new and improved safety standards and automated driving systems. As an example, the EMEA safety organization is a member of IGLAD (Initiative for the Global Harmonization of Accident Data), a consortium of auto manufacturers that collects and analyzes traffic accident data to improve road and vehicle safety. In the U.S., FCA collaborates with other automakers to identify technical issues and conduct research related to vehicle safety through the U.S. Council for Automotive Research, among others.

Safety Technology and Ratings

FCA is responding to consumer expectations of high tech solutions in their vehicles by devoting significant resources to research and develop technologies that enable drivers and passengers to safely interact with their car and with the world around them. By providing real-time availability of services and information, FCA is contributing to improve safety and the mobility experience. For example, Traffic Sign Recognition uses digital camera technology and navigation-system data to monitor the roadway for speed limits and relays the information to the driver.

FCA offers active and passive features for diverse drivers and vehicle segments, along with tertiary safety elements. The intent of active safety systems is to help drivers avoid crashes by assisting them to control their vehicles or alert them to potentially hazardous situations. These systems monitor surroundings, the status of the vehicle, driver behavior and include semi-automated technologies that provide assistance to drivers in certain instances, with the driver retaining control as needed.

Passive safety systems are designed to help mitigate the effects of a crash. These include occupant restraint technology and the use of more advanced materials that enable us to improve crash energy management.

In the area of tertiary safety, the Group provides emergency rescue sheets with information to rescue teams or first responders on special design elements and the position of components to be considered when assisting the occupants of vehicles involved in an accident.

As we continue efforts to deliver advancements in safety technologies, ratings from independent agencies help validate our progress. Independent agencies rate the comparative safety of vehicles across the industry in different regions. While the specific criteria vary, these ratings generally evaluate the level of safety provided for occupants during a crash as well as a vehicle's ability to avoid a crash through the use of technology. Over the years, FCA vehicles have earned top ratings based on performance during assessments. For example, the Insurance Institute for Highway Safety (IIHS) named the 2019 Chrysler Pacifica a Top Safety Pick and the Fiat 500X was awarded the Latin NCAP 5-Star rating.

Independent rating agencies, such as Euro NCAP and IIHS, have required increasingly stringent protocols to achieve five-star safety ratings. FCA has taken these protocols into consideration as we develop and test our safety systems.

Regulatory Compliance

When potential vehicle safety issues arise, we promptly investigate and take corrective action, including initiating safety recall campaigns when appropriate. FCA aims to improve the overall customer experience during the safety recall process and increase completion rates. We use a set of industry-leading advanced data analytics in the U.S. to improve our ability to more rapidly and effectively identify and assess potential safety issues. By quickly identifying potential safety issues, we are able to investigate and make determinations regarding appropriate safety recalls to address safety issues promptly and inconvenience fewer customers. In 2018, there were 148 recall campaigns involving 14,016,521 initial recall notices for FCA vehicles worldwide.

Through the Global Technical Compliance organization, the vehicle safety investigation and safety recall execution process has been harmonized to enhance coordination across regions and the robustness of safety recall campaign remedies for our customers.

We continue to investigate and implement ways to further improve customer engagement and experience related to safety recalls through both regional communication channels and our Customer Contact Centers (CCC). For example, FCA took a significant step in recall customer outreach in 2018 by launching an all-new customer relationship management system for our CCC specialists. The planning, process and actual contacts for all recall outreach, including phone, postal mail and digital, is now managed by the Customer Care team. Volume in 2018 exceeded 27 million outreach attempts.

In addition, the Check To Protect public awareness campaign was launched by the National Safety Council (NSC) and FCA US to raise awareness of the importance of customers checking regularly for open recalls. The campaign drives customers to the NHTSA database of all open recalls and urges customers to take action to repair vehicles quickly. In 2018, the National Automobile Dealers Association also joined with the NSC in support of the Check To Protect campaign and to educate and raise awareness about the importance of getting recall repairs completed.

VEHICLE QUALITY

FCA strives to satisfy our customers by continuing to bring new technologies and products to market, with improved quality and reliability. Customers' needs and expectations vary from market to market due to differences in driving experiences and local preferences, which is why our customer-focused approach to quality during vehicle development is key. One measure of this approach is reflected in the results of the J.D. Power 2018 U.S. Initial Quality Study. The FCA brands included in the study improved initial quality, on average, at a faster rate than the U.S. industry average for the third consecutive year.

To measure progress toward improving vehicle quality, FCA has set a target of achieving top quartile placement for the vehicle portfolio by 2020, based on the relevant competitive benchmark for each geographic region. This includes vehicle reliability as measured by rate of repair and survey results related to vehicle functionality and design. In 2018, the rate of repair in the first 90 days of ownership improved on average by approximately 1% globally. Things Gone Wrong (TGW) is an internal and external survey process that evaluates customer needs and behaviors related to vehicle functionality and design issues. In 2018, TGW improved on average by approximately 2% in three regions (NAFTA, EMEA and APAC). The LATAM region launched a new external survey methodology and is not included in the scope.

Quality Processes

For every FCA vehicle, quality considerations ranging from customer expectations to functional requirements are analyzed from the earliest stages of design. A cross-functional initiative within FCA focuses on managing risks and implementing solutions for new vehicles. The program assesses the risk of items, such as new vehicle features, during the design phase, which is then evaluated against existing data and processes to determine if different testing or timing approaches are needed. The program helps identify and avoid potential issues earlier in the vehicle development process and makes implementing solutions more cost effective.

At times, differences in customer expectations or regulatory requirements within a specific market have an impact on quality standards. When this occurs, FCA typically applies the most stringent specifications to all markets. These market-based differences add complexity and make close cooperation across regions an essential part of the process. To support global quality collaboration, the Global Issue Management (GIM) system provides a single repository that is available in five languages to help expedite issue resolution across functional groups and regions. Benefits of the GIM system extend beyond our internal resources by providing our supply chain access to view and address supplier-related issues. In 2018, the GIM system moved further up in the overall vehicle process into the Product Development phase. By making this improvement, issues are identified and tracked earlier in one system that can be seen by team members in all regions.

Inside FCA assembly plants, we operate state-of-the-art metrology centers - high-tech laboratories with a clean-room environment. The metrology labs use laser scanners and a complex set of fixtures that mimic the body shop's process so that engineers and technicians can assess and mitigate build parameters to evaluate risk more proactively. All of these tools are used to find and resolve issues before vehicles are shipped to dealers, and ultimately, to the end customers. As part of our quality approach, all Group plants have adopted a Quality Management System that is ISO 9001 certified, and all powertrain plants in Europe are also ISO/TS 16949 certified.

FCA conducts thousands of reliability, capability and durability tests each year at our proving grounds in Chelsea (U.S.) and Balocco (Italy). During 2018, a new facility was dedicated at the Chelsea Proving Grounds to allow for testing of various levels of autonomy and enable the Company to evaluate FCA vehicles using test protocols from third parties, such as the Insurance Institute for Highway Safety (IIHS), U.S. New Car Assessment Program (NCAP) and European New Car Assessment Program (EuroNCAP), plus additional electronic brake test simulations.

Engineering and Quality teams also study how vehicles perform in less predictable environments. Reliability test fleet vehicles are driven day and night on public road surfaces, at high and low altitudes and through blizzard conditions, as well as dry, desert heat and hot, humid locations all over the globe. We conduct extreme weather testing at a number of facilities worldwide, including in Sweden, South Africa and the Middle East, as well as at a cold weather testing facility in Fairbanks (U.S.).

In addition to monitoring throughout the product development process, the Connected Customer Fleet (CCF) program allows selected customers to participate in an online community to provide earlier and more extensive vehicle feedback to FCA than traditional methods. In 2018, FCA implemented a version of the program to better understand our commercial customers and their duty cycles. Feedback from these customers is being used to change design standards and targets. Programs such as CCF help to rapidly identify and resolve potential issues with new models and improve customer satisfaction.

CUSTOMER EXPERIENCE

FCA understands that changing customer sentiment and expectations, along with technology, are impacting how we interact with customers. As we aim to build loyalty among existing customers and appeal to potential new customers, we also are focusing on providing convenient communication channels and positive experiences. Our dealer network is the primary face-to-face connection with customers and FCA has worked with our network to help them update sales and service processes that accommodate brand values, local requirements, and different customer needs. Several measures have been implemented over time to improve processes, customer service standards and service quality for the Group's dealer network, the vast majority of which is privately owned.

Customer experiences are monitored on a market basis through surveys that provide insight into customer advocacy and satisfaction with the dealer network. Results are integrated into dealer processes, customer contact center management, and training programs. One primary approach used by FCA is an advocacy measurement to track customer satisfaction. This figure represents the percentage of customers who are likely to recommend the dealer to a friend or family member based on their sales or service experience. In the U.S. and in the EMEA region's major markets, the sales and service advocacy results remained stable in 2018 compared with 2017.

As the needs of our customers around the world continue to evolve, so does the value of personalization and easy access to information. FCA provides opportunities for customers to interact with the dealer network; research products and services; and learn about our brands through a wide variety of channels, often before an in-person sales or service experience.

Vehicle shopping solutions in various markets use virtual and augmented reality to enable customers to customize and experience vehicle details in real-time, even when they do not have access to the physical vehicle. Initiatives like the Abarth AR (Augmented Reality) and the Jeep Adventure Reality applications for mobile devices offer customers a cyber experience to help them configure the vehicle and make their purchase decisions. A similar approach was launched in 2017 in Turin (Italy) that allows potential customers to configure an FCA vehicle through an immersive experience using virtual reality headsets. The solution was made available during 2018 in other countries at temporary or pop-up stores in highly frequented areas such as shopping malls. In addition, FCA provides customers in selected countries, directly or through partnerships with major providers, the ease and convenience of shopping for a vehicle online. This approach allows customers to take delivery of the vehicles at their local dealers, combining online purchasing with human interaction.

FCA also offers innovative features and solutions to support new and unique market expectations. For example, connected services such as the Uconnect Skill for Amazon Alexa allows vehicle owners to conveniently search for destinations from the comfort of their home, then send it their vehicle for easy navigation directions.

Dealer Network Development

The dealer network plays a pivotal role in developing relationships and building trust with FCA's customers. To support the role of the network, FCA develops training programs to enhance sales and service personnel knowledge and skills. The Group offers targeted training through live and web-based courses, including online tools such as virtual classrooms, tablet applications and in-dealership mobile tools.

6.1+ Million hours of dealer network training

Training content varies by market and changes over time to reflect brand presence, model launches, process improvements, customer expectations and advancements in vehicle features. Content included in training developed for sales, after-sales and technical personnel covers an extensive range of topics, such as customer experienced-based processes and skills; product and vehicle systems knowledge; and environmental and safety features of the Group's vehicles. Depending on the topic, dealer personnel demonstrate comprehensive knowledge by completing a series of courses, skills assessments and certifications.

Developing the network goes beyond providing training and communication tools for existing network employees. It also means looking forward and supporting additional educational opportunities. Examples of such programs include:

- Degrees@Work and Degrees@Work Family programs. U.S. dealership employees and their families are offered the opportunity to receive a no-cost, no-debt college degree. The programs enable dealerships to attract top talent, improve the skill set of existing employees, lessen the burden of paying for college for families and increase employee retention. By the end of 2018, more than 3,300 dealership employees and family members have taken advantage of this opportunity.
- Mopar Career Automotive Program (CAP). This study and internship program is offered by a network of schools in the U.S. that utilize an FCA-specific curriculum to train high-potential, entry-level automotive technicians for employment at FCA dealerships. Mopar CAP has created strategic partnerships with automotive technical colleges primarily in metropolitan areas of the U.S. In addition, Mopar CAP LOCAL, which was established in 2015, continues to grow the network of schools in the U.S. by enlisting schools in secondary and rural markets. At the end of 2018, there were 96 Mopar CAP and CAP LOCAL schools, an increase of approximately 8% over 2017, supporting more than 8,900 active students.
- TechPro^2 program. This international project is a three-year program for selected students who receive theoretical and practical knowledge from Salesian Vocational Training Center instructors who have received professional training by FCA employees. The training centers are designed and equipped by FCA and reflect the same service standards as the FCA dealer network. Second and third-year students gain important hands-on experience through internships and apprenticeships. In 2018, more than 650 students in Italy were enrolled in TechPro^2 apprenticeships, with 41% of them within the FCA dealer network. Around the world, more than 5,000 students, including the students in Italy, took part in the program and received approximately 4.5 million hours of training in seven languages and 60 locations.

Customer Support

FCA provides a variety of communication channels for our customers throughout the ownership experience that offer not only product information but also specific support within the markets. Examples range from online chatbots to smartphone applications that allow users to schedule service appointments and receive recall information. These solutions provide convenient access to information and improved customer service.

To strengthen connections with our customers and address customer complaints, FCA's social media teams monitor digital media channels, such as Facebook, Twitter and automotive blogs. Owner sites are available within most markets to provide our customers with information about vehicle maintenance and services; accessories and merchandise; and vehicle recalls.

In addition to websites, smartphone applications and digital media channels, FCA has dedicated customer contact organizations in all regions to ensure strong and global management of customer contact activities worldwide. Customer Contact Centers (CCC), together with dealers, are among the primary channels of communication between customers and the Company. There are 26 CCCs worldwide, with approximately 1,500 agents and supervisors who handled approximately 28 million customer contacts in 2018, offering a variety of services including information, complaint management and, in some locations, roadside assistance.

FCA Customer Contact Centers manage the entire process, from the first contact with the customer until a response is given or a concern is resolved, ensuring resolution in the shortest possible time. They provide multilingual support with a strong focus on employing native speakers of 28 languages. FCA believes that skilled, knowledgeable and motivated agents are essential for a high level of customer satisfaction. For this reason, in 2018 the Group offered nearly 99,000 hours of agent training on new products, behaviors and processes, as well as systems and new procedures.

FCA took a significant step in recall customer outreach in the U.S. in 2018 by launching an all-new Customer Relationship Management system for our CCC specialists. The planning, process and actual contacts for all recall outreach, including phone, postal mail and digital, is now managed by the Customer Care team.

FCA also regularly engages with customers to provide information regarding the proper use of our products and services; potential risks or hazards; safety and usage instructions; disposal of the vehicles; and warnings. This information is provided through a variety of methods including owner and maintenance manuals; information labels and product advertising; the dealer and service network; and Customer Contact Centers, among others. With our global focus, the Group sells our products and services to consumers in more than 135 countries worldwide, and is subject to numerous laws and regulations governing product information.

VIEW DATA

NAFTA

845 Personnel

3 Languages spoken

Chatham, Ontario
Windsor, Ontario
Indianapolis, Indiana
Center Line, Michigan
Farmington, Michigan
Fort Myers, Florida
Irving, Texas
Mexico City, Mexico
San Juan, Puerto Rico

LATAM

133 Personnel

2 Languages spoken

Valencia, Venezuela
Belo Horizonte, Brazil
Cordoba, Argentina

EMEA

449 Personnel

25 Languages spoken

Moscow, Russia
Budapest, Hungary
Prague, Czech Republic
Kragujevac, Serbia
Arese, Italy
Istanbul, Turkey
Cairo, Egypt
Dubai, U. A. Emirates
Johannesburg, South Africa

APAC

45 Personnel

7 Languages spoken

Shanghai, China
Seoul, South Korea
Tokyo, Japan
Pune, India
Brisbane, Australia

Customer Mobility

FCA focuses our efforts on the entire customer experience through both traditional products and services and mobility solutions that fit their changing needs. As an example, in 2018, FCA announced a subscription-based car ownership program. This monthly subscription service is expected to give customers access to FCA portfolio vehicles and the ability to exchange the vehicle for another FCA brand and model.

Another innovative service is U-Go, a peer-to-peer car-sharing platform launched in Italy. U-Go offers an affordable car-sharing option for individuals who do not own a vehicle or who need one for a few hours or a few days. The vehicles available are from customers of FCA Bank and Leasys, FCA Bank's long-term car rental company, who rent or purchase full coverage vehicle insurance. The program can defray customers' relevant vehicle expenses by sharing their vehicles when not being used.

These types of solutions are in addition to other mobility options such as Enjoy. Enjoy is a car-sharing service that offers a fleet of Fiat 500 and Fiat Doblò vehicles to urban drivers in Italy. It was launched in Milan by Eni, an energy company, at the end of 2013 in partnership with FCA, which has provided more than 2,500 vehicles. Since the service was launched, approximately 830,000 individuals in six metropolitan areas have signed up to use it and approximately 18 million rentals have been logged.

FCA also supports individuals with special mobility needs. For an individual with a disability, accessible mobility can offer an increased level of independence. At FCA, the Autonomy and DriveAbility programs are designed to help customers with permanent disabilities by providing financial assistance toward the purchase of appropriate customizable adaptive equipment. Since 1995, the Autonomy program has offered solutions that make it possible for people with disabilities to drive Fiat, Lancia, Alfa Romeo, Abarth, Jeep and Fiat Professional brand vehicles. In 2018, there were more than 42,000 customized vehicles sold through the Autonomy program to customers in Europe and Brazil. Revenues from the sale of these vehicles in Italy totaled about €124 million in 2018. In addition, about 2,100 people benefited during the year from the services offered through the Autonomy program's 18 Mobility Centers in Italy. These Centers are managed in collaboration with local associations, rehabilitation centers, health authorities and the department of motor vehicles. The services offered include assistance with a range of administrative, legal and technical issues, fitness-to-drive screening assessments, and information on test drives.

The U.S.-based program, DriveAbility, is a financial assistance program that was launched in 1987 to help customers with permanent disabilities enter, exit and/or operate a new vehicle. The program helps cover up to €847 of the expense for installing adaptive driver or passenger equipment on most Chrysler, Jeep, Dodge, Ram or Fiat vehicles. DriveAbility supplies vehicles to a network of 25 vehicle modifiers, who operate more than 600 sales and service outlets across the U.S. The DriveAbility website helps customers determine which vehicle and adaptive equipment best suit their lifestyle, find the nearest sales outlet and apply for reimbursement. Since 2010, the DriveAbility program has provided more than 37,000 customer assistance grants. Along with financial assistance for adaptive equipment, the program has provided learning sessions where rehabilitation specialists present the latest in advanced safety and convenience technology features available to benefit special mobility needs.

> “FCA focuses our efforts on the entire customer experience through both traditional products and services and mobility solutions that fit their changing needs.”

05

PRODUCTION AND SUPPLY CHAIN

PRODUCTION

05

FCA's environmental stewardship endeavors to achieve objectives on two fronts: to reduce our environmental footprint and to contribute to the Company's financial success by reducing production costs. Through the adoption of a lean, smart and increasingly digital operating model, a commitment to sustainable innovation, and the direct participation of employees in the pursuit of excellence, we achieve consistent improvements in environmental performance in our manufacturing operations.

KEY FIGURES

-38%
water consumption
vs 2010

-62% waste
vs 2010

-27%
CO_2 emissions
vs 2010

~100% of plants
ISO 14001 certified

RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

PRODUCTION

FCA's Environmental Guidelines detail our commitment to address environmental and climate change issues by aiming to reduce CO_2 emissions, energy consumption, water withdrawal and waste generation. Our environmental responsibility also entails efforts to preserve natural habitats and their biodiversity in areas surrounding our sites.

Environmental protection at FCA is managed through our Environment, Health and Safety (EHS) and Energy organizations. The Group has implemented an Environmental Management System (EMS) worldwide, aligned with the ISO 14001 standard. The EMS consists of a system of methodologies and processes designed to prevent or reduce the environmental impact of the Group's manufacturing activities. At the end of 2018, 97 Group plants, representing nearly 100% of industrial revenues, were ISO 14001 certified. The plants still awaiting certification have already adopted an EMS that is aligned with the ISO 14001 standard and are regularly audited by the EHS organization.

FCA's Energy Management System (EnMS) focuses on methodologies and processes related to the optimization of energy use. At the end of 2018, the majority of Group plants were ISO 50001 certified, representing approximately 99% of the Group's total energy consumption.

The Group EMS and EnMS are certified by accredited third parties. Together with World Class Manufacturing (WCM) methodologies and tools, they support our efforts to achieve a steady and consistent reduction in the impact of manufacturing processes.

As a key contributor to our environmental stewardship, the WCM program was first adopted more than 10 years ago and has been implemented at FCA plants worldwide. WCM is an approach that applies to all areas of the manufacturing facility. It seeks to eliminate waste and increase the productivity, well-being, and safety of the individuals who work there. The projects developed within WCM aim to ultimately reach zero accidents, zero waste, zero breakdowns and zero inventories.

At year-end 2018, 95 FCA plants have implemented WCM, which covers 99% of our plants: 27 have achieved a WCM bronze level of implementation and performance, 32 silver and six gold. The achievement of WCM award levels recognizes the long-term commitment of the workforce to making significant changes that can secure the future of a facility. During an audit, zero to five points are awarded for each of the 10 technical pillars, which include safety, workplace organization, logistics and the environment, and for each of the 10 managerial pillars, such as management commitment, clarity of objectives, allocation of people, motivation of operators and commitment of the organization.

The success of WCM is highly dependent on the participation of employees, who are involved in targeted training programs in order to properly apply WCM methods. Employees worldwide are also encouraged to make process improvement suggestions, each of which is assessed for potential application. In 2018, FCA plant employees submitted more than 2.4 million suggestions, representing an average of 17 proposals per employee. Best practice projects are shared among all plants, with approximately 22,000 approved and disseminated across the Group's plants throughout 2018.

99%
of FCA plants apply WCM

There were roughly 5,000 environmental projects started during 2018, for an estimated cost savings of €52 million.

WCM tools and methods are also applied to non-production business processes. FCA is transferring WCM principles and best practices to our logistics, manufacturing engineering, design activities, dealers and suppliers. By expanding the WCM approach and principles to various FCA business functions and business partners, FCA strives to minimize the environmental footprint along our value chain while promoting a culture of sustainability.

VIEW DATA

~5,000
environmental projects started in 2018

ENERGY CONSUMPTION

The Group seeks solutions in our manufacturing processes that enable further reductions in our energy consumption, with a particular focus on decreasing the use of fossil fuels. Over time, these solutions have generated significant savings in energy-related costs. In 2018, energy consumption was higher than both the previous year and the baseline year in absolute terms due to increased production in the NAFTA region.

At mass-market vehicle assembly and stamping plants, the energy consumption per vehicle produced increased by approximately 9% compared with last year (from 5.60 to 6.09 GJ), but still recorded a decrease of 17% compared with 2010 (from 7.36 to 6.09 GJ).

During the year, the Group rolled out approximately 3,500 projects to improve the energy efficiency of systems and equipment; to implement organizational measures such as process redesign and optimization of plant capacity; and to increase energy awareness among employees. These initiatives resulted in energy savings of approximately 1,800 TJ and approximately €38 million, in addition to avoiding approximately 145,000 tons of CO_2 emissions.

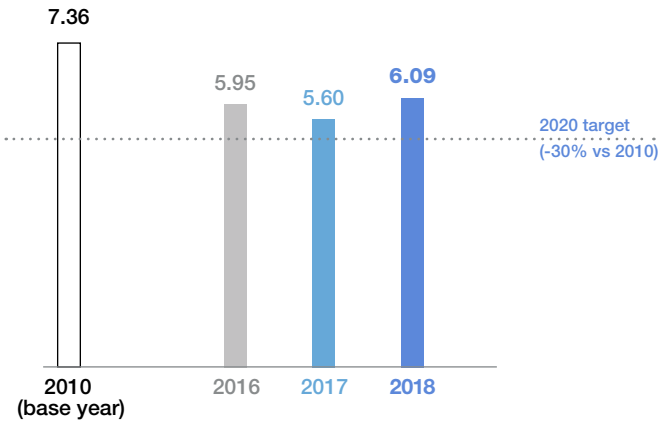
DIRECT AND INDIRECT ENERGY CONSUMPTION

FCA worldwide (TJ)

	2018	2017	2016
Direct energy consumption	21,213	19,821	18,796
Indirect energy consumption	24,132	24,693	25,065
Total energy consumption	**45,345**	**44,514**	**43,861**

DIRECT AND INDIRECT ENERGY CONSUMPTION PER VEHICLE PRODUCED

Mass-market vehicle assembly and stamping plants worldwide (GJ)



VIEW DATA

CO_2 AND OTHER MANUFACTURING EMISSIONS

In 2018, CO_2 emissions were higher than the previous year due to increased production in the NAFTA region but decreased by 9% compared with the baseline year to 3.6 million tons.

DIRECT AND INDIRECT CO_2 EMISSIONS

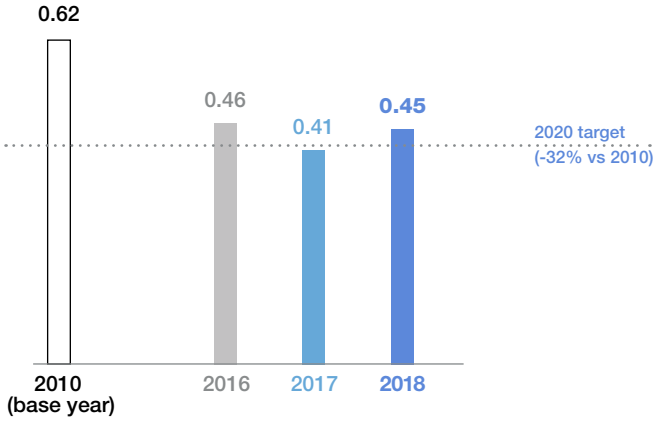
FCA worldwide (thousands of tons of CO_2)

	2018	2017	2016
Direct emissions	1,129	1,054	995
Indirect emissions	2,470	2,459	2,604
Total CO_2 emissions	**3,599**	**3,513**	**3,599**

Emissions of CO_2 per vehicle produced at mass-market vehicle assembly and stamping plants decreased 27% in the last eight years, falling from 0.62 tons per vehicle produced in 2010 to 0.45 tons per vehicle produced in 2018.

DIRECT AND INDIRECT CO_2 EMISSIONS PER VEHICLE PRODUCED

Mass-market vehicle assembly and stamping plants worldwide (tons of CO_2)



In 2018, to support our commitment to reduce CO_2 emissions, FCA used energy from renewable sources. In Brazil, where the majority of our South American plants are located, electricity originated almost entirely from renewable sources, and our plants in Goiana, Campo Largo and Jaboatão dos Guararapes obtained certification as Carbon Neutral. In addition, solar power is used for electricity and/or heating at some Group plants. Energy from renewable sources used in Group production processes represented around 15% of total electricity consumption in 2018.

VIEW DATA

Other Emissions

Estimated emissions of other substances, based on direct fuel consumption for energy production, slightly increased in 2018. Nitrogen Oxides (NO_X) emissions increased as a result of higher natural gas consumption, while Sulfur Oxides (SO_X) emissions increased as a result of the increased production at our foundries. Dust also increased slightly.

DIRECT EMISSIONS OF NOx, SOx AND DUST

FCA worldwide (tons)

	2018	2017	2016
NOx	1,263	1,253	1,224
SOx	130	105	82
Dust	69	59	53

VIEW DATA

WATER MANAGEMENT

FCA aims to responsibly manage our entire water cycle, starting from water withdrawal from municipal water suppliers or natural sources; through use and reuse of recycled water for cooling, cleaning and sanitation; and the discharge in public sewer systems or surface water bodies, which occurs after passing through a wastewater treatment process.

FCA has focused particularly on the adoption of technologies and procedures to increase recycling and reuse of water and decrease the level of pollutants in discharged water. We periodically map the availability of water resources around the world, correlating the quantity of water available with the quantity consumed in each region. The Group adopted a new risk assessment method in 2016 to evaluate water stressed areas. We conduct scenario analyses to identify those plants located in areas where water is considered a limited resource.

As a result of improvements in water cycle management and measures taken to reuse water in industrial processes, FCA reduced 2018 water withdrawal by 29% compared with 2010 (from 30.6 to 21.7 million m^3). Projects to cut the quantity of water withdrawn led to an overall savings of about €2.5 million in 2018. A 99% recycling water index resulted in 2.3 billion m^3 of water saved.

2.3 Billion m^3
water saved equivalent to
1 million Olympic-sized
swimming pools

In 2018, water withdrawal per vehicle produced at mass-market vehicle assembly and stamping plants was approximately 38% lower than 2010.

In addition to minimum standards of legal requirements, FCA regularly measures and analyzes the quality of wastewater to provide a comprehensive view of FCA's overall impact on water quality to maintain levels well below legal limits. Of 106 total plants (including four joint ventures) active in 2018, all were serviced by either an internal or external wastewater treatment system. No significant spills were reported.

WATER WITHDRAWAL AND DISCHARGE

FCA worldwide (millions of m^3)

	2018	2017	2016
Water withdrawal	21.7	21.9	22.2
Water discharge	17.2	14.2	16.3
Water consumption	4.5	7.7	5.9

WATER RECYCLING INDEX

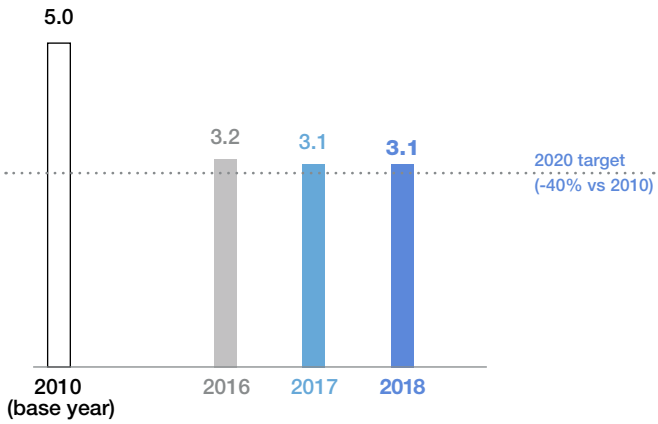
FCA worldwide (millions of m^3)

	2018	2017	2016
Total water requirement	**2,340**	**2,091**	**2,243**
of which covered by recycling	2,319	2,069	2,221
of which water withdrawal	22	22	22
Recycling index	**99%**	**99%**	**99%**

The recycling index is calculated on the basis of total water requirement, which is the sum of water withdrawn and water recirculated in the plants.

WATER WITHDRAWAL PER VEHICLE PRODUCED

Mass-market vehicle assembly and stamping plants worldwide (m^3)



VIEW DATA

WASTE MANAGEMENT

To reduce the consumption of raw materials and related environmental impacts, FCA has implemented procedures to pursue optimal recovery and reuse with minimal waste. We strive to recycle what cannot be reused. If neither reuse nor recovery is possible, waste is disposed of using the method available that has the least environmental impact (waste-to-energy conversion or treatment) with landfills used only as a last resort. In 2018, 63 FCA plants sent zero waste to landfills.

As a result of continued improvements in waste management, FCA achieved a 4% reduction of waste generated in 2018 compared with 2017. In 2018, these efforts saved about €4 million. In addition, revenues of about €72 million were generated by selling recoverable waste to companies that use it to generate new products or energy.

Further, the Group carefully manages the amount of hazardous waste it generates - in accordance with applicable regulations in each jurisdiction - and places particular importance on reducing the generation of such waste, since by its very nature it is often less suitable for recovery.

Through appropriate environmental practices, total hazardous waste decreased by 51% compared with 2010 baseline levels.

WASTE GENERATION AND MANAGEMENT

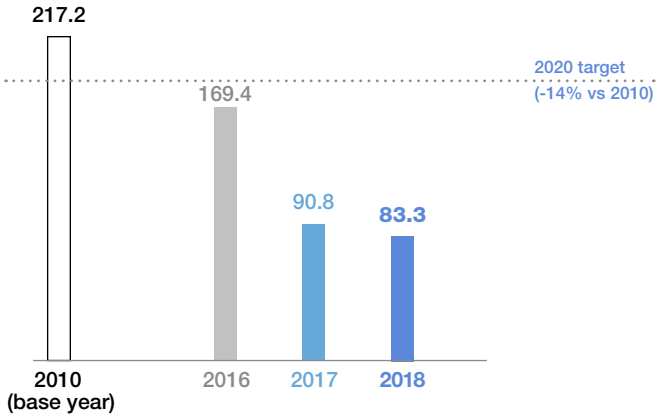
FCA worldwide (tons)

	2018	2017	2016
Waste recovered	626,736	674,384	1,111,590
Waste disposed	248,434	240,507	205,425
Total waste generated	**875,170**	**914,891**	**1,317,015**

In mass-market vehicle assembly and stamping plants, the quantity of waste generated per vehicle produced in 2018 decreased by 8% compared with the prior year (from 90.8 to 83.3 kg/vehicle produced), and by 62% compared with 2010 (from 217.2 to 83.3 kg/vehicle produced). The significant decrease from 2016 to 2017 was the result of waste reduction initiatives and the alignment in NAFTA to country-specific waste exemptions. Hazardous waste per vehicle produced decreased 62% compared with 2010 (from 8.2 to 3.1 kg/vehicle produced).

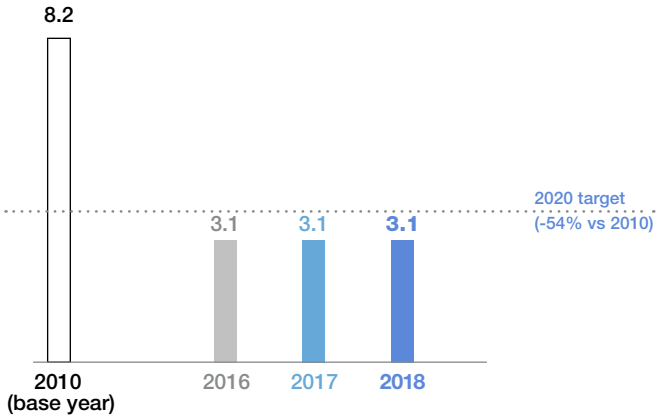
WASTE GENERATED PER VEHICLE PRODUCED

Mass-market vehicle assembly and stamping plants worldwide (kg)



HAZARDOUS WASTE GENERATED PER VEHICLE PRODUCED

Mass-market vehicle assembly and stamping plants worldwide (kg)



In 2018, the waste recovery rate in mass-market vehicle assembly and stamping plants was around 96% and the percentage of waste sent to landfill was around 3%.

VIEW DATA

> “We strive to recycle what cannot be reused; if neither reuse nor recovery is possible, waste is disposed of using the method that has the least environmental impact.”

SUPPLIER MANAGEMENT

05

Managing the complexity of multi-tier supply chains presents particular challenges for all major industries, including the automotive sector. Technology is driving change in the automotive industry, as vehicles today are becoming more connected, electrified, autonomous, and shared. The vehicle design cycle is more stringent, technologies are adopted more quickly, and automakers are collaborating with suppliers more than ever before.

Collaboration and respect will continue to provide the best way to address challenges the global supply chain may face. The FCA Code of Conduct and the due diligence processes are based on the Group's commitment to mitigating potential emerging environmental and social risks related to the supply chain.

KEY FIGURES

€70+ Billion
in total purchases

2,400+
suppliers worldwide

74% of purchased
value assessed
through the
Supplier Sustainability
Self-Assessments

RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SUPPLIER MANAGEMENT

The selection of suppliers with proven capabilities in quality management, market understanding, and readiness to innovate is critical in distinguishing our products from those of the competition. By working with our suppliers to create responsible procurement practices, we can limit exposure to unexpected events and supply disruption, while building long-term core competence that can drive sustainable growth over time.

FCA Purchasing, the organization responsible for supplier management, sets global purchasing strategies and oversees the integration of processes worldwide. This organization also works with automotive peers and non-automotive counterparts to integrate key environmental, social, and governance considerations into global purchasing decisions. Our buying teams work with suppliers and colleagues from many internal functional areas to develop and execute sourcing strategies as well as support the ongoing selection, management and development of our supply base.

FCA's supplier relationships are driven by our Foundational Principles that provide the framework we use internally and in working with our suppliers. Focused training events take place across FCA's regions to promote awareness and observance of these Principles, and it is our goal that they be reflected in all supplier relationships:

1. Integrity - Trust and be trustworthy
2. Mutual Transparency - Share expectations and information
3. Proactive Collaboration - Work together effectively and efficiently
4. Personal Accountability - Take ownership and accept responsibility
5. Empathy & Advocacy - Respect and support each other
6. Sense of Urgency - Act quickly and decisively
7. Continuous Improvement - Share best practices
8. Long-Term Mindset - Make decisions that foster sustainable relationships.

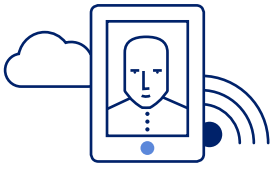
Our suppliers include both direct material suppliers that produce the parts and components that make up our vehicles, as well as indirect suppliers, who provide the goods and services needed to run our operations. We have a global network of more than 2,400 suppliers, ranging in size from small operations with few employees up to very large companies, which supply us with everything from basic materials to state-of-the-art componentry. Our supply base is concentrated, with 150 strategic suppliers accounting for approximately 60% of direct material purchases by value. The Group classifies suppliers as being strategic through a formal process based on the following criteria: allocated spending amount; production and spare parts capacity; technical and commercially-viable alternatives; and the value of Group procurement orders as a percentage of the supplier's annual turnover.

FCA's operations impact local economies and, whenever possible, we utilize local suppliers near major locations of operation. This generates direct and indirect income and employment opportunities in the communities where the business is located, in both developed and emerging economies, while minimizing transport-related environmental impacts. Local suppliers are those with manufacturing operations that supply an FCA plant located in the same country. For example, in recent years more than 75% of our spending at our plants in Brazil has originated from in-country suppliers.

VIEW DATA

SUPPLIER TRAINING AND COLLABORATION

FCA's communication with our suppliers is based on the trust and transparency outlined in our Purchasing Foundational Principles. Through a variety of channels, we strive to promote innovation, quality products, efficiency, best practice sharing and sustainability concepts. We engage with our suppliers through, among other methods, Technology Days, industry and supply chain organizations and events, extensive training, and one-on-one dialogue.



74
Technology Days with suppliers

In 2018, FCA and our suppliers participated in 74 Technology Day events. These events encourage collaboration with suppliers on innovative solutions for features, efficiencies and quality, and allow suppliers to share some of their latest technological developments and concepts for the future.

Supporting our efforts to engage sub-tier suppliers, FCA also hosts Technology Open House events which allow Tier 2 or Tier 3 suppliers to present commodities, technologies or services to specifically-defined FCA audiences they might not otherwise reach. In 2018, 24 Technology Open House events were held.

Another aspect of supplier engagement focuses on fostering innovation to improve products, processes and content, often leading to sustainable solutions such as the use of recycled raw materials or weight reduction. The Value Optimization SUPER Program encourages a proactive approach with suppliers. Economic benefits are shared when innovative manufacturing technologies and leaner component designs are implemented.

FCA also encourages dialogue with the supply base by working closely with many industry and supplier organizations. One such group is the Automotive Industry Action Group (AIAG), which the Company helped found in 1982. AIAG is a cooperative forum for the auto industry focused on improving business processes and practices involving trading partners and peers throughout the supply chain. In addition to a leadership role on the Board of Directors with co-leadership within the Corporate Responsibility Steering Committee, FCA employees are engaged in a number of other AIAG teams that partner automakers with suppliers. Many of the initiatives promoted by AIAG focus on sustainability issues and on streamlining tools and metrics across the industry. FCA works with AIAG to sponsor smaller companies, including sub-tier suppliers, to take part in AIAG work groups and to work with their larger peers on industry solutions.

Additional in-depth training on responsible working conditions is offered to suppliers in partnership with AIAG. This web-based training is developed and updated collaboratively with other automakers and is designed to help protect the rights and dignity of the workers who make vehicle components. The training helps to educate and create awareness among the procurement professionals who make sourcing decisions. It is provided at no cost to suppliers who take the training, which is available in eight languages and which is also provided to FCA Purchasing employees.

FCA periodically hosts Supplier Training Weeks during the year in Turin (Italy), Auburn Hills (U.S.) and Shanghai (China). The curriculum covers subjects related to purchasing, quality, supply chain management, manufacturing, finance, and engineering. The agenda also includes dedicated classes on sustainability-related topics such as responsible working conditions, environmental impacts and ethics. In 2018, more than 5,950 supplier attendees took part in Supplier Training Weeks and other events. In addition, we launched Virtual Classroom Offering, in which suppliers take part in a live, interactive setting from their desktop, avoiding the expense and extra time of traveling to a training site.

Within FCA's eSupplierConnect portal, the supplier Learning Center provides learning opportunities and other resources for suppliers, including content and presentations for Supplier Training Week. As the supply base continues to expand globally, it is necessary to effectively manage training information to enable the development, delivery and use of this material.

Supplier WCM

FCA Purchasing, with the support of the World Class Manufacturing Academy and FCA plant WCM specialists, has continued providing WCM methodology and tools to our suppliers. WCM support includes plant shop floor assessments for new launch suppliers and focused improvement activities for those supporting current production. To maximize the effectiveness of the program, suppliers and commodities are prioritized based on their impact on FCA plants, purchasing strategy, and the supplier's current performance. Particular emphasis is placed on supplier plants involved in upcoming product launches.

The increasingly global approach to expanding the World Class Supplier program offers a range of engagements from basic to advanced WCM support levels for our suppliers. FCA Purchasing implemented a program in 2018 designed to improve suppliers' shop floor management and to apply WCM continuous improvement tools in their facilities. Dedicated trainers from FCA plants provided weekly guidance and mentoring to improve a supplier's key activity and performance indicators.

Supplier Awards

In 2018, FCA again honored outstanding suppliers from around the world during our annual Supplier Award ceremonies. Suppliers were recognized for their extraordinary commitment to innovation, quality, continuous improvement and the FCA Purchasing organization's Foundational Principles.

A distinct category recognizes companies for their commitment to sustainability. Suppliers meeting eligibility requirements may nominate their companies for the award by demonstrating excellence, innovation and the scope of their sustainability efforts in environmental, social and governance categories.

> "Another aspect of supplier engagement focuses on fostering innovation to improve products, processes and content."

SUPPLIER SUSTAINABILITY

Suppliers to FCA commit to operating responsibly. This commitment to social, ethical and environmental principles is a condition to both becoming an FCA supplier and to developing an ongoing business relationship with us.

Suppliers must conduct business activities according to ethical standards and procedures set forth by FCA. The Company's General Terms and Conditions require any new purchase order with suppliers to align with the principles set forth by FCA's policies, including the FCA Code of Conduct and the FCA Sustainability Guidelines for Suppliers. If a supplier fails to meet these standards, a corrective action plan, jointly developed with FCA, is required. Additional actions may be adopted by FCA in case of non-compliance, including and up to termination of the business relationship.

FCA's Sustainability Guidelines for Suppliers, available on our corporate website as well as the supplier portal, focus on the following principles:

Human rights and working conditions

- rejection of the use of forced or child labor in any form
- recognition of the right to freedom of association in accordance with applicable laws
- freedom from harassment and discrimination
- safeguarding of employee health and safety
- guarantee of equal opportunities, fair working conditions, appropriate working time, equal compensation, and the right to training for employees.

Respect for the environment

- optimized use of resources
- responsible waste management
- management of Substances of Concern in the manufacturing process
- development of low environmental impact products
- use of an environmentally sustainable logistics system.

Business ethics

- high standards of integrity, honesty and fairness
- prohibition of corruption and money laundering.

SUPPLIER ASSESSMENT PROCESS

Preliminary Evaluation

Before FCA conducts business with a company, an evaluation helps determine its suitability based on a broad set of criteria. Through the Supplier Eligibility Assessment (SEA), we identify a potential supplier's strengths, weaknesses and capabilities to produce parts of the required quality, performance and cost, and evaluate whether it has the potential to be a high-performing supplier for FCA. An extensive redesign of the SEA was initiated in 2018 and requires potential suppliers to complete the same Supplier Sustainability Self-Assessment (SSSA) expected of our established suppliers. If a potential supplier shows deficiencies in any area of the assessment, a gap closure strategy is created to bring the supplier into compliance before business is sourced.

The SEA is conducted prior to the procurement phase for those suppliers who are not currently providing parts to FCA. It can also be used in situations in which a supplier's location has not delivered a product type for more than 12 months, even if the supplier has already been assessed for other facilities, products, or commodities.

Potential suppliers must demonstrate that they have adopted a program that promotes sustainability, both internally and along the supply chain; a code of conduct; a certified system for managing employee health and safety; and a certified environmental management system. These conditions help ensure that they monitor and manage environmental aspects, labor practices, human rights, and their impact on society.

The SEA consists of an audit carried out at the supplier's facility and is generally preceded by the completion of a Supplier Data Profile. Subsequently, if required, corrective actions, responsibilities, and target dates for resolution can be defined for all identified items.

Sustainability Assessment of Suppliers

The assessment of supplier compliance with sustainability criteria is conducted through three phases.

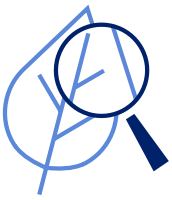
The first phase consists of the SSSA questionnaire, which covers environmental issues, labor practices, human rights, compliance, ethics, diversity, and health and safety topics. Active FCA suppliers are expected to complete the SSSA each year.

This standardized tool was developed by the Automotive Industry Action Group (AIAG) in collaboration with FCA and other automakers and suppliers. This assessment has a two-fold purpose: to determine the level of sustainability activity within the supply base and to communicate FCA's expectations to our suppliers.
Suppliers complete the SSSA online by accessing it via the FCA eSupplierConnect portal.

The second phase of assessing suppliers is the creation of the risk map. Direct material suppliers are analyzed and rated on criteria that include:

- FCA spending on supplier
- country risk associated with the supplier's home country, with particular emphasis on countries with a poor human rights record, according to the Worldwide Governance Indicators
- supplier's financial risk
- supplier's SSSA score
- supplier's exposure to commodity risk based on process or labor intensity
- location of supplier's main production activities (where available or known).

The risk map score indicates a supplier's overall risk level and is used to prioritize supplier audits.



88
sustainability audits conducted at suppliers

On-site supplier sustainability audits - in the form of both announced and semi-announced/unannounced - represent the third and most intensive phase for confirming supplier compliance, and are conducted by either internal Supplier Operations Engineers or external auditors. In 2018, we increased the number of suppliers audited, expanding from 48 in 2017 to 88 in 2018. This not only helps FCA, but strengthens our suppliers as well by identifying areas of improvement in which they can close gaps, becoming stronger and more sustainable. If any critical issues are identified during an audit, a supplier may be placed on watch status or, in particularly severe cases, the relationship with the supplier may be suspended or terminated. Where areas for improvement are identified, a corrective action plan is developed by FCA, the supplier and with the support of the third party auditors where applicable. Action plans establish specific responsibilities within the supplier's organization, activities and deadlines for implementation.

The level of supplier sustainability compliance based on self-assessments and on-site audits are reported on the Global External Balanced Scorecard, which provides standardized supplier metrics across all regions. Suppliers' sustainability performance is captured as a strategic indicator and is available on all regional scorecard views.

The Group plans to conduct sustainability audits or assessments of all Tier 1 suppliers with potential exposure to significant environmental or social risks by 2020.

VIEW DATA

SUPPLIER ENVIRONMENTAL PERFORMANCE

Climate change is not an issue that can be solved in isolation. We expect our suppliers, dealers, contractors, business partners, licensees, and joint venture partners to comply with all environment-related rules and regulations, and to adopt measures and standards contributing to an overall improvement in environmental impact throughout the value chain. We work with our suppliers and encourage them to implement an environmental management system aligned with international standards.

The Supplier Sustainability Self-Assessment (SSSA) includes a module dedicated to the supplier's environmental management initiatives. SSSA submissions reflect a supply base that is seeking to optimize its use of resources and minimize emissions and greenhouse gases; properly managing waste treatment and disposal; managing energy and water use and adopting logistics processes with minimized environmental impact.

FCA supply contracts specify our support of responsible procurement by requiring every material's adherence to environmental, health and safety requirements, and covers ingredients, formulas and handling procedures where relevant. These requirements extend to our procurement practices through the use of tools such as the International Material Data System (IMDS) and Life Cycle Assessment.

Suppliers are required to submit detailed information on the material content and substances used in production and service parts through IMDS so substances can be traced back to the specific component. In this way, FCA can monitor, control, reduce, or eliminate regulated chemical substances that are restricted or prohibited in one or more markets.

As directed by Substances of Concern regulations such as the European Union's REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), we require our suppliers to use chemicals whose contents meet our current standards for the management of Substances of Concern.

The Group conducts thorough on-site audits to examine the supplier's environmental management methods. These audits include a rigorous inspection of proper environmental management system documents and their mode of distribution in the work environment; accountability for ensuring compliance with the environmental management system; training programs provided to employees; goals to improve environmental performance; and any environmental certifications held by the supplier. In order to prevent, mitigate or redress a negative impact encountered during inspection, a joint action plan is developed with the supplier.

Through recycling or remanufacturing, FCA partners with our suppliers to reduce the environmental impact of the components we buy from them. For example, in collaboration with one of our electric battery suppliers, we developed a program to repurpose lithium-ion batteries for non-automotive applications such as motorized wheelchairs. For more information, see the Vehicle End-of-Life Management section elsewhere in this report.

To promote awareness among suppliers of their potential impact on climate change, particularly regarding greenhouse gas emissions, 261 suppliers were invited to participate in the CDP Supply Chain program in 2018. Of those invited, 185 suppliers disclosed (71% response rate), attaining an average score of B- (on a scale from A to D-).

FCA works with CDP to support this engagement and boost supplier response rates through dedicated supplier training webinars. This training aims to communicate the importance and benefits from transparently reporting on impacts. Approximately 78% of responding suppliers reported scope 1 and scope 2 emissions.
By 2020, the Group expects to monitor 90-100% of top Group suppliers' CO_2 emissions (accounting for about 57% of annual purchases by value) through the CDP supply chain program. In 2018, disclosing suppliers accounted for approximately 55% of FCA annual purchases by value from direct and indirect material suppliers.

SUPPLIER HUMAN RIGHTS AND LABOR PRACTICES

The respect and support of fundamental human rights is essential for building a better future for the Company and the communities in which we do business. This belief is contained in the FCA Human Rights Guidelines, which the Group promotes within our sphere of influence. In these Guidelines, we express the expectation we have of our suppliers, contractors and other business partners to adhere to these standards.

FCA is conscious of, and continues to be committed to, the safety and integrity of our global manufacturing supply chain, with special focus on countries exposed to human rights abuses or armed conflict. The responsible procurement of raw materials for our vehicles is vital. Although the source of any raw material may be several tiers removed in the supply chain, we recognize its place in our sourcing process.

Through engagement with several multi-stakeholder organizations, both within and outside the automotive industry, FCA addresses not only the needs, but the opportunities that exist through ethical and conscientious procurement practices during the mineral extraction, trade and processing stages. We are engaged in initiatives such as the Automotive Industry Action Group (AIAG) Corporate Responsibility Steering Committee, which leads auto industry engagement in cobalt, mica, and Conflict Minerals activities and relationships, and the Responsible Minerals Initiative (RMI).

FCA's approach over the years has been built on assessments and competency-building initiatives. Self-assessment questionnaires are used to monitor the suppliers' management systems with respect to basic human rights, health and safety in the workplace and fair working conditions. Suppliers are also expected to establish a management system to systematically assess occupational health and safety risks; to measure performance through key indicators; and to extend their health and safety policies to their contractors.

Finally, FCA expects suppliers to take appropriate steps to prevent child labor and forced or compulsory labor, as well as to recognize the right to freedom of association and collective bargaining.

Conflict Minerals

The vehicles we produce contain various metals, including tantalum, tin, tungsten and gold. These metals are commonly referred to as Conflict Minerals and they may originate from the Democratic Republic of the Congo (DRC) or surrounding countries, often referred to as "covered countries." In some cases, illegal rebel groups control mines and the trade and movement of Conflict Minerals to finance their operations. This may also represent a risk of incidents of child, forced or compulsory labor in our sub-tier supply chain.

In collaboration with the Automotive Industry Action Group (AIAG), FCA has developed strategies addressing Section 1502 of the U.S. Dodd-Frank Act, which requires companies to determine whether tantalum, tin, tungsten and gold in their supply chain originated from the covered countries, and whether the procurement of those minerals supported the armed conflict in this region. FCA works closely with the Responsible Minerals Initiative (RMI), and its Responsible Minerals Assurance Process (RMAP). Participation on RMI sub-teams that include the Smelter Engagement, Plenary, and the Due Diligence Practices Teams has provided an opportunity for FCA to collaborate with other member companies as we work together to develop best practices for supply chain due diligence. At the end of 2018, 258 smelters and refiners have been validated as conformant to the RMAP or cross-sector recognized standards.

In the covered countries, there are also companies and individuals engaged in legal business activities, with no connection to any illegal activities. We strive to ensure that such companies' or individuals' business activities and livelihoods are not harmed by our efforts to avoid using minerals that are illegally obtained. To this end, we work to promote sourcing from responsible sources in the region through engagement with RMI and other organizations. Through AIAG and RMI, along with other stakeholder organizations, we are helping to build fair supply chains of minerals in the covered countries.

As outlined by the Organisation for Economic Co-operation and Development (OECD) Guidance, we work with our suppliers to determine the presence of Conflict Minerals in our supply chain. This process begins by surveying more than 870 in-scope direct and after-market suppliers about their use of tantalum, tin, tungsten and gold in order to obtain smelter information.

Further, we:

- expect our suppliers to source materials from suppliers who also source responsibly, including from legitimate, conflict-free mines in the covered countries
- require all the relevant suppliers to conduct the necessary due diligence and provide us with proper verification of the country of origin and source of the materials used in the products they supply to FCA
- support initiatives to verify smelters and refiners that are conflict-free and expect our suppliers to utilize any such conflict-free smelter/refiner programs that are available
- verify all incoming Conflict Minerals Reporting Template submissions from our suppliers
- provide detailed smelter analysis to suppliers reporting non-conformant smelters in their supply chain.

To prepare suppliers for current and upcoming regulations, FCA provided training in 2018 in the U.S., Europe and Asia regarding Conflict Minerals and ethical sourcing. In 2018, FCA refreshed our Conflict Minerals Policy to improve clarity and expectations to better express the requirements we place on our suppliers when sourcing these minerals.

Raw Material Sourcing

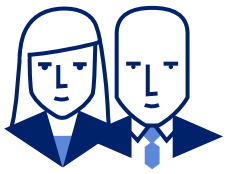
FCA engages with industry and cross-sector groups to promote and develop our raw material supply chain, focusing on, but not limiting our efforts to, commodities such as cobalt and mica. Cobalt is of growing interest for the auto industry due to its use in electric vehicle batteries. Utilizing and teaching our suppliers the OECD 5-Step Framework for Upstream and Downstream Supply Chains provides a common and foundational tool that helps solidify responsible sourcing practices and decisions made throughout our supply chain.

FCA has joined other automakers and leaders from other industries in becoming a signatory of the Responsible Raw Materials Initiative (part of the Responsible Minerals Initiative) Declaration of Support. This cross-sector engagement brings together experts from numerous industries to use their global presence and leverage to drive ground-level improvements in the mining of metals and minerals through process, tool and infrastructure improvements. The Cobalt Reporting Template, a supply chain reporting tool based on the Conflict Minerals Reporting Template, was finalized and launched in 2018. Through a collaborative effort, the RMI has developed and recently launched the Risk Readiness Assessment, which addresses environmental, social and governance risks present in the global supply chain. This tool can help improve supply chain transparency and mapping to more efficiently and pre-emptively mitigate undesirable practices as they relate to Conflict Minerals, cobalt and other raw materials. Further, RMI is collaborating with the Responsible Cobalt Initiative on a joint cobalt refiner pilot audit program, aligned with the OECD Due Diligence Guidance and the Chinese Due Diligence Guidelines for Mineral Supply Chains.

SUPPLIER DIVERSITY

FCA's commitment to diversity and inclusion also extends to our supply chain. FCA believes the diversity of our suppliers should reflect the diversity of our workforce and the communities in which we do business. Diversity Suppliers are those that are majority-owned by recognized minority groups or by women, and which are certified by relevant government councils.

We work to include diversity and inclusion considerations as an everyday practice in our dealings with our employees, our dealers, our suppliers and our customers. With a supplier diversity and development program that spans 35 years, FCA spent more than €5.7 billion with Tier 1 and Tier 2 minority suppliers in 2018. The FCA US suppliers' External Balanced Scorecard includes a metric for diversity sourcing at the Tier 2 level.



€5.7+ Billion
spent with
minority suppliers

FCA US was named Corporation of the Year - Tier II Program by the National Minority Supplier Development Council for our success in requiring our Tier I suppliers to do direct business with diverse suppliers. The Women's Business Enterprise National Council recognized FCA US as one of America's Top Corporations supporting Women's Business Enterprises, the only national award honoring corporations for world-class supplier diversity programs that reduce barriers and drive growth for women-owned businesses.

FCA was also named "Best in Class" by the Great Lakes Women's Business Council for Excellence in Supplier Diversity, and was awarded Corporation of the Year by the Michigan Hispanic Chamber of Commerce for leadership and commitment to the Hispanic business community.

The FCA High Focus program works with suppliers with greater potential for diverse spend and equips them with the tools and support to achieve their diversity targets. The diversity spend status of each supplier is monitored monthly and reviewed quarterly with them. FCA has provided consistent support for our High Focus suppliers, resulting in placement of more than €9.3 billion with certified minority suppliers since the program began in 2010.

FCA supports inclusion across our supply base through the annual Matchmaker event, which creates opportunities for diverse suppliers. Completing its 19th year, Matchmaker provided more than 200 minority-owned, women-owned and veteran-owned businesses access to our Tier I suppliers and to decision makers within our procurement organization. In 2018, the event included numerous training sessions, including the FCAInnovate! session, in which nine minority suppliers were given five minutes to pitch their companies' innovative solution to FCA Purchasing representatives and the High Focus Suppliers. The event also included the W2W Mixer, a speed-networking event that brought together more than 100 female entrepreneurs and industry leaders to present their businesses and ideas to FCA executives.

Training, mentorship, scholarship support, sponsorships, membership and Board and committee participation are some of the ways we support organizations that include the National Minority Supplier Development Council, the Canadian Aboriginal and Minority Supplier Council, the Women's Business Enterprise National Council, WBE Canada and WECONNECT International. In addition, we support veteran-business ownership through membership with the National Veteran-Owned Business Association and the National Veteran Business Development Council.

> "We work to include diversity and inclusion considerations in our dealings with employees, dealers, suppliers and customers."

LOGISTICS OPERATIONS

05

Responsible supply chain practices extend beyond purchasing and manufacturing automotive parts. Millions of parts and finished products must be transported efficiently to their destinations. Whether the destination is around the corner or around the world, we identify and implement new and efficient methods of moving components into plants, and vehicles to dealers.

KEY FIGURES

~200
low-emission natural gas trucks in FCA-owned fleet

-40,000 tons
of CO_2 emissions as a result of optimization projects

2 Parts Distribution Centers are World Class Logistics Silver level and 2 obtained Bronze level

RELEVANT UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

LOGISTICS OPERATIONS

Key elements of successful logistics operations include reducing stock and material handling, and delivering only what is needed, where it is needed, at the right time. At FCA, we work together with our suppliers and logistics partners to improve processes by re-engineering material flows and packaging, and applying just-in-time methodology.

FCA Global Purchasing and Supply Chain serves as the link between Group plants, the supplier network and dealers by managing transports among these parties. The logistics operations are handled by a variety of internal and external operators, depending on the origin and destination of the goods. The Company has adopted Logistics Guidelines that provide direction on how to optimize transport fleet characteristics and apply methodologies to reduce the impact of freight and vehicle movement.

The Company's logistics approach focuses on:

- the optimization of logistics flows and the adoption of low-emission transport vehicles to improve performance and minimize impacts on the environment
- the implementation of emerging solutions and technologies to protect parts and decrease the use of packaging and protective materials to save resources.

We monitor our logistics performance to identify areas of improvement and actions needed, and transparently communicate our related environmental and social impacts to stakeholders.

VIEW DATA

LOW-EMISSION TRANSPORT

The use of low-emission trucks for transport contributes to reducing FCA's environmental impact. Where possible, the Group transport fleets are adopting alternative fuel solutions to improve performance.

The Group's own transport fleet - FCA Transport in the U.S. and Canada, and i-FAST Automotive Logistics in Europe - includes trucks that run on compressed natural gas (CNG) or liquefied natural gas (LNG) for the delivery of finished vehicles. This fleet of nearly 200 trucks achieved a reduction of approximately 3,500 tons of CO_2 emissions in 2018.

Other FCA affiliations that foster eco-friendly logistics include our partnership with SmartWay, a collaboration between the U.S. Environmental Protection Agency and the freight industry. The partnership has expanded to Canada and is designed to help companies reduce the carbon footprint of their transport operations. In Mexico, carriers participate in a similar program called Transporte Limpio (Clean Transportation).

TRANSPORT OPTIMIZATION

Optimizing transport networks, modes and capacity improves efficiencies in the supply chain. By tailoring leading global practices and initiatives and limiting the travel required to move finished vehicles and parts, FCA's logistics operations supply our plants and dealerships effectively and efficiently.

Network optimization focuses on the route design from origin to destination and minimizing the distance and cost. Efforts such as removing intermediate storage locations and considering the locations of potential suppliers are among the actions taken. One example in 2018 involved reducing the distance parts were shipped internationally by optimizing consolidation centers. This change avoided more than 1.3 million km and approximately 1,500 tons of CO_2.

Mode optimization concentrates on the type of transportation such as road, rail and ocean. The Group explores alternative solutions for both parts and vehicle distribution, especially for long distance shipments. For example, we optimized the transport mode from truck and rail to sea for finished vehicles destined to U.S. dealers from Mexico, avoiding more than 3,600 tons of CO_2 in 2018.

Efforts continued in 2018 to implement new, or extend existing, intermodal solutions which combine different modes of transportation. Initiatives where sea transportation for vehicle distribution replaced rail transport in Europe led to savings from both the economic and environmental perspectives. Approximately 270 tons of CO_2 emissions were avoided in 2018.

Capacity optimization centers on maximizing the use of available space while considering equipment capacity and routes. For finished vehicles, a smart-loading method is used to increase the number of units on rail cars by combining vehicles of various dimensions to fully utilize rail capacity. This process of optimizing the loads reduces the number of rail cars necessary, increasing efficiency and reducing costs as well as carbon emissions.

Additionally, a new cubing methodology for parts was introduced for inbound truck transportation. We avoided more than 4,000 tons of CO_2 and reduced transport by approximately 4.2 million km by working with partners to optimize daily material releases and more fully utilize transportation resources.

PACKAGING AND PROTECTIVE MATERIALS

FCA works to reduce packaging and protective material consumption while meeting quality requirements and reducing the risk of damage. Each packaging solution must be uniquely adapted to both the individual part and the destination plant. To reduce waste, this also means identifying or creating a reusable solution when possible. Where reusable containers are not the optimal solution, the Group seeks to apply recovery processes which enable repurposing of the material.

Investments in the returnable container fleet and improvements in container fleet management allow greater flexibility in scheduling and decreased demand for expendable packaging. Initiatives include:

- A program to recycle more than 136,000 wooden pallets saved over €330,000 in 2018 while lowering the environmental impacts of producing and delivering those pallets.
- FCA optimizes the management of returnable containers in North America through a Regional Container Pooling Center for upstream freight. This process efficiently directs containers where needed, resulting in a reduction in transportation costs, travel time for containers, handling costs, and possible double handling. In 2018, the Regional Container Pooling Initiative avoided approximately 1,700 tons of CO_2 emissions.
- FCA continued container audits in 2018, resulting in the recovery and proper allocation of more than 80,000 returnable containers from 221 supplier locations in North America. These reclaimed assets further reduced the need for expendable cardboard packaging.
- Packaging insert reuse programs implemented during 2018 led to the diversion of approximately 100 tons of packaging waste from landfill and saved more than €140,000.
- For international shipments, several density improvements, packaging optimization initiatives and the shift to different materials resulted in a reduction of nearly 500 tons of wood and more than 70 tons of cardboard.

PARTS DISTRIBUTION CENTERS

FCA has more than 50 Parts Distribution Centers (PDC) worldwide which are responsible for warehousing and managing the efficient delivery of spare parts to our dealers and distributors.

Our PDCs are progressively adopting World Class Logistics (WCL), an approach based on World Class Manufacturing, that seeks to enhance safety, ergonomic and eco-compatibility as well as transport flow optimization. WCL also helps to significantly reduce the environmental footprint of logistics activities at PDCs, reducing waste while enabling a productive and efficient high-volume flow of goods and materials.

The PDCs in Centerline and Winchester (U.S.) achieved the WCL Bronze Level in 2018, along with the None and Volvera (Italy) PDCs which were already Silver Level. In addition, all FCA Parts Distribution Centers located in the U.S., Canada and Mexico are ISO 14001 certified, with 12 of these sending zero process waste to landfill. Two U.S. PDCs achieved LEED certification; the Romulus facility is a U.S. Green Building LEED Gold certified building; the Winchester facility is a U.S. Green Building LEED Silver certified facility.

FCA works to improve efficiency in the transportation of parts both to and from our PDCs. FCA is piloting a process for more efficient trailer loading, showing more than a 20% increase in trailer cube utilization and an overall reduction in distance traveled.

To more efficiently stock and move parts, we have developed a demand forecasting tool to better predict which parts and quantities are needed in specific markets. The goal is to provide excellent service for customers by meeting the demand for parts, while maintaining optimal inventory levels.

> “All FCA Parts Distribution Centers located in the U.S., Canada and Mexico are ISO 14001 certified.”

In 2018, FCA announced the planned transformation of the Fiat Rivalta plant in Italy into a PDC serving Europe, the Middle East, Africa and additional markets. This former vehicle production plant will be converted into an energy-efficient and environmentally sustainable parts and accessories storage and distribution warehouse. The new facility will support over 5,000 locations, significantly improving delivery time to dealerships, increasing customer service as a result.

The environmental performance of our PDCs is monitored regularly. Results are communicated and shared among employees to increase their level of awareness and encourage direct involvement in initiatives aimed at improving sustainability performance.

In the LATAM region, the PDC in Hortolândia (Brazil) neutralized its carbon emissions in 2018. The impact on the climate became zero as a result of its use of 100% renewable energy, cleaner fuels, and the quantification, reduction and compensation of CO_2 emissions. The results of these activities were certified by a third party.

Environmental results for Parts Distribution Centers that have implemented WCL (2018 vs 2011)

CENTER LINE (U.S.) PDC

- **-53%** in potable water consumption
- **-48%** in electricity consumption
- **-7%** in CO_2 emissions
- **100%** of waste recycled of which **9%** used for energy recovery in 2018

MARYSVILLE (U.S.) PDC AND PAINT SHOP

- **-39%** in potable water consumption
- **-1%** in electricity consumption
- **CO_2** emissions remained stable[1]
- **87%** of the PDC waste recycled in 2018

NONE & VOLVERA (ITALY) PDC

- **-53%** in potable water consumption
- **-21%** in electricity consumption, which comes from **100%** renewable sources
- **-36%** in CO_2 emissions
- **99.8%** of waste recycled in 2018

[1] CO_2 emissions normalized by labor hours as it directly relates to natural gas consumption in the Paint Shop operations. All other numbers represent actual usage.

06 SUPPLEMENTAL INFORMATION

FACTS & FIGURES

EMPLOYEES | Workforce Distribution

WORKFORCE BY GEOGRAPHIC AREA AND CATEGORY

FCA worldwide (no.)

	2018					2017					2016				
	Total	Hourly	Salaried	Professional	Manager	**Total**	Hourly	Salaried	Professional	Manager	**Total**	Hourly	Salaried	Professional	Manager
Europe	**64,616**	40,446	9,261	14,104	805	**65,830**	40,910	9,830	14,229	861	**67,563**	42,257	10,461	13,974	871
North America	**97,029**	74,703	9,276	11,940	1,110	**94,192**	71,414	9,652	12,022	1,104	**87,294**	64,981	9,434	11,789	1,090
Latin America	**33,056**	26,004	3,963	2,965	134	**32,551**	25,634	3,962	2,834	121	**34,309**	26,171	4,753	3,249	136
Asia	**3,566**	253	1,940	1,328	45	**3,757**	271	2,116	1,337	33	**3,660**	266	2,044	1,318	32
Rest of world	**268**	46	82	139	1	**181**	4	22	154	1	**164**	4	31	129	—
Total	**198,545**	**141,452**	**24,522**	**30,476**	**2,095**	196,511	138,233	25,582	30,576	2,120	192,990	133,679	26,723	30,459	2,129

WORKFORCE GENDER DISTRIBUTION BY GEOGRAPHIC AREA

FCA worldwide

	2018			2017			2016		
	Total (no.)	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)
Europe	**64,616**	79.8	20.2	**65,830**	79.7	20.3	**67,563**	79.7	20.3
North America	**97,029**	76.8	23.2	**94,192**	77.1	22.9	**87,294**	77.3	22.7
Latin America	**33,066**	88.9	11.1	**32,551**	89.1	10.9	**34,309**	89.6	10.4
Asia	**3,566**	76.9	23.1	**3,757**	77.9	22.1	**3,660**	77.8	22.2
Rest of world	**268**	72.0	28.0	**181**	68.5	31.5	**164**	70.1	29.9
Total	**198,545**	**79.8**	**20.2**	196,511	80.0	20.0	192,990	80.3	19.7

WORKFORCE GENDER DISTRIBUTION BY CATEGORY

FCA worldwide

	2018			2017			2016		
	Total (no.)	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)
Manager	**2,095**	83.3	16.7	**2,120**	83.9	16.1	**2,129**	85.0	15.0
Professional	**30,476**	79.4	20.6	**30,576**	79.5	20.5	**30,459**	79.9	20.1
Salaried	**24,522**	70.5	29.5	**25,582**	71.1	28.9	**26,723**	70.9	29.1
Hourly	**141,452**	81.5	18.5	**138,233**	81.7	18.3	**133,679**	82.3	17.7
Total	**198,545**	**79.8**	**20.2**	196,511	80.0	20.0	192,990	80.3	19.7

WORKFORCE GENDER DISTRIBUTION BY OPERATING SEGMENT

FCA worldwide

	2018			2017			2016		
	Total (no.)	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)
Mass-market vehicles	**171,500**	79.9	20.1	**169,435**	80.2	19.8	**164,603**	80.7	19.3
Maserati	**1,628**	80.4	19.6	**1,611**	79.6	20.4	**1,585**	80.0	20.0
Other Activities	**25,417**	78.9	21.1	**25,465**	78.4	21.6	**26,802**	78.1	21.9
Total	**198,545**	**79.8**	**20.2**	196,511	80.0	20.0	192,990	80.3	19.7

WORKFORCE GENDER DISTRIBUTION BY LENGTH OF SERVICE

FCA worldwide

	2018			2017			2016		
	Total (no.)	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)
Up to 5 years	**78,959**	76.7	23.3	**82,142**	76.8	23.2	**78,349**	77.2	22.8
6 to 10 years	**32,871**	77.9	22.1	**29,122**	79.2	20.8	**26,922**	79.8	20.2
11 to 20 years	**32,493**	81.9	18.1	**32,818**	82.3	17.7	**36,451**	82.8	17.2
21 to 30 years	**42,095**	83.9	16.1	**41,877**	84.0	16.0	**41,510**	84.2	15.8
Over 30 years	**12,127**	85.1	14.9	**10,552**	83.4	16.6	**9,758**	81.6	18.4
Total	**198,545**	**79.8**	**20.2**	196,511	**80.0**	**20.0**	192,990	**80.3**	**19.7**

WORKFORCE GENDER DISTRIBUTION BY AGE

FCA worldwide

	2018			2017			2016		
	Total (no.)	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)
Up to 30 years	**42,993**	78.4	21.6	**43,241**	78.7	21.3	**39,943**	78.6	21.4
31 to 40 years	**47,842**	78.8	21.2	**46,841**	78.9	21.1	**46,843**	79.4	20.6
41 to 50 years	**52,714**	79.4	20.6	**53,723**	79.9	20.1	**55,708**	80.7	19.3
Over 50 years	**54,996**	82.2	17.8	**52,706**	82.2	17.8	**50,496**	82.2	17.8
Total	**198,545**	**79.8**	**20.2**	196,511	**80.0**	**20.0**	192,990	**80.3**	**19.7**

WORKFORCE GENDER DISTRIBUTION BY LEVEL OF EDUCATION

FCA worldwide

	2018			2017			2016		
	Total (no.)	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)
University degree	**60,947**	76.5	23.5	**44,420**	74.3	25.7	**51,208**	74.5	25.5
High school	**93,404**	78.8	21.2	**107,700**	79.6	20.4	**97,218**	80.8	19.2
Elementary/middle school	**36,883**	88.0	12.0	**38,571**	87.6	12.4	**39,106**	87.6	12.4
Not tracked	**7,311**	78.7	21.3	**5,820**	79.5	20.5	**5,458**	74.8	25.2
Total	**198,545**	**79.8**	**20.2**	196,511	**80.0**	**20.0**	192,990	**80.3**	**19.7**

University degree: calculation subject to approximation resulting from the comparison of academic qualifications or equivalent among different countries.

WORKFORCE BY CATEGORY AND AGE

FCA worldwide (no.)

	2018				
	Total	Hourly	Salaried	Professional	Manager
Up to 30 years	**42,993**	33,965	6,705	2,323	-
31 to 40 years	**47,842**	31,919	6,722	8,986	215
41 to 50 years	**52,714**	37,315	5,142	9,432	825
Over 50 years	**54,996**	38,253	5,953	9,735	1,055
Total	**198,545**	**141,452**	**24,522**	**30,476**	**2,095**

WORKFORCE BY CONTRACT AND EMPLOYMENT TYPE

FCA worldwide (no.)

	2018				
		Unlimited-term		Fixed-term	
	Total	Full-time	Part-time	Full-time	Part-time
Europe	**64,616**	62,406	912	1,287	11
North America	**97,029**	86,539	76	4,463	5,951
Latin America	**33,066**	32,563	-	503	-
Asia	**3,566**	3,532	-	34	-
Rest of world	**268**	266	-	2	-
Total	**198,545**	**185,306**	**988**	**6,289**	**5,962**

WORKFORCE GENDER DISTRIBUTION BY CONTRACT AND EMPLOYMENT TYPE

FCA worldwide (%)

2018

	Unlimited-term		Fixed-term	
	Men	Women	Men	Women
Total	**80.3**	**19.7**	**72.4**	**27.6**

	Unlimited-term				Fixed-term			
	Part-time		Full-time		Part-time		Full-time	
	Men	Women	Men	Women	Men	Women	Men	Women
Europe	11.3	88.7	80.1	19.9	27.3	72.7	63.6	36.4
North America	9.2	90.8	77.4	22.6	54.7	45.3	97.5	2.5
Latin America	-	-	89.0	11.0	-	-	82.1	17.9
Asia	-	-	76.9	23.1	-	-	70.6	29.4
Rest of world	-	-	71.8	28.2	-	-	100.0	-

WORKFORCE DISTRIBUTION BY COUNTRY

FCA worldwide (%)

	2018	2017	2016
USA	32.8	32.5	31.0
Italy	25.6	26.2	27.4
Brazil	15.3	15.1	15.7
Mexico	9.8	9.0	7.7
Canada	6.3	6.4	6.6
Poland	3.2	3.4	3.5
Argentina	1.3	1.5	1.6
Serbia	1.2	1.3	1.4
China	1.1	1.2	1.2
France	0.5	0.5	0.6
Germany	0.5	0.5	0.5
Spain	0.2	0.2	0.2
Other countries	2.2	2.2	2.6
Total (no.)	**198,545**	**196,511**	**192,990**

NATIONALITY OF MANAGERS

FCA worldwide

	2018	
	Managers (no.)	Total Managers (%)
American	927	44.2
Italian	723	34.5
Brazilian	119	5.7
Canadian	85	4.1
Mexican	68	3.2
Chinese	31	1.5
French	29	1.4
Polish	14	0.7
German	12	0.6
Other	87	4.2
Total	**2,095**	**100.0**

MANAGERS OF LOCAL NATIONALITY BY GEOGRAPHIC AREA

FCA worldwide (%)

	2018
Europe	93.5
North America	92.2
Latin America	94.8
Asia	77.8
Rest of world	100.0

WORKFORCE BY PRINCIPAL ETHNIC ORIGIN

FCA in North America (%)

	2018
Caucasian	47.6
African American	32.6
Hispanic	5.4
American Indian	0.2
Other	14.2

WORKFORCE BY MINORITY GROUP

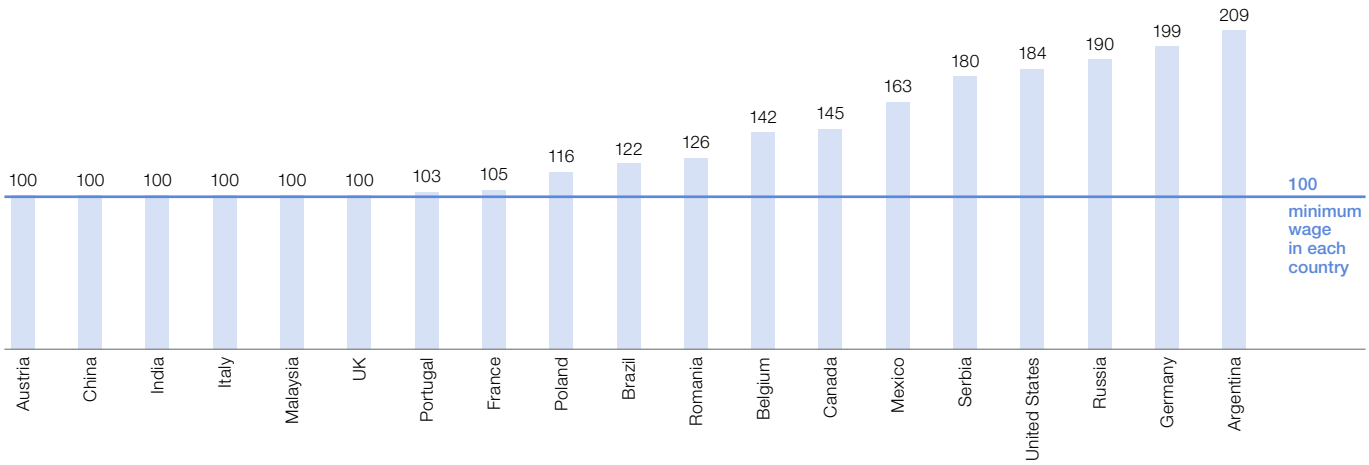
FCA in North America

	2018
Employees belonging to a nationality minority group (no.)	**3,509**
of which men	78.2%
of which women	21.8%
over total workforce	1.8%

Minority group reported in the table consists of employees with nationality different from country of work.

COMPARISON BETWEEN ENTRY-LEVEL SALARY AND MINIMUM WAGE

FCA worldwide (minimum wage = 100)



In accordance with the GRI Standards, entry-level salary is defined as the minimum compensation paid to a full-time employee hired at the lowest pay scale/employee grade on the basis of company policy or agreements between the company and trade unions. For each country, results are based on the company with the lowest ratio of entry-level salary to minimum wage, unless the number of employees of the company with the lowest ratio represented less than 10% of that country's total headcount. Figures reported are as of December 31, 2018.
The survey of 19 countries covered the Group's total workforce. Workplace equality within the Group is also seen in the comparison between minimum entry-level wages by gender. Considering the countries included in the survey sample, minimum wage levels were found to be identical between men and women.

RETURN TO WORK AFTER PARENTAL LEAVE BY GENDER

FCA worldwide

	Men	Women
Employees that took parental leave among the workforce in 2018 (no.)	3,434	1,699
Employees that took parental leave in 2017 and are still employed (%)	96.0	82.7

EMPLOYEES | Training

TRAINING EXPENDITURES

FCA worldwide

	2018	2017	2016
Spending on training (€ million)	40.7	43.9	45.7

TRAINING BY CATEGORY

FCA worldwide

	2018	
	Workforce	Average Training Hours (no.)
Hourly	48.3%	4.8
Professional & Salaried	49.9%	18.8
Manager	1.8%	11.6

Averages calculated based on total workforce and not exclusively on employees enrolled in training courses.

TRAINING BY GENDER

FCA worldwide (no.)

	2018		
	Workforce	Hours	Average Training Hours
Men	90,865	1,378,748	8.7
Women	26,565	359,331	9.0
Total	**117,430**	**1,738,079**	**8.8**

Averages calculated based on total workforce and not exclusively on employees enrolled in training courses.

TRAINING ON CORPORATE CAMPAIGNS

FCA worldwide

	2018	2017	2016
Participants involved (no.)	138,134	132,438	124,408
of which managers	3.4%	3.6%	4.5%

Training on corporate governance, anti-corruption, human rights and sustainability.

TRAINING ANTI-CORRUPTION

FCA worldwide

	2018	
	Employees involved (no.)	of which manager
Europe	17,636	2.4%
North America	14,655	5.9%
Latin America	5,711	1.9%
Asia	612	0.2%
Rest of world	52	1.9%
Total	**38,666**	**3.6%**

TRAINING ON HEALTH AND SAFETY

FCA worldwide and selected JVs

	2018	2017	2016
Hours of training (no.)	991,576	1,005,564	1,112,858
Employees involved (no.)	176,003	140,021	131,286
of which hourly employees	83%	92%	84%

ENVIRONMENTAL TRAINING

FCA worldwide and selected JVs

	2018	2017	2016
Hours of training (no.)	207,046	228,588	214,494
Employees involved (no.)	118,984	72,605	70,889
of which hourly employees	87%	85%	80%

EMPLOYEES | Turnover

TURNOVER BY GEOGRAPHIC AREA

FCA worldwide (no.)

	2018					
	Europe	North America	Latin America	Asia	Rest of World	Total
Employees at December 31, 2017	65,830	94,192	32,551	3,757	181	196,511
New Hires	2,555	16,892	5,312	751	45	25,555
Departures	(3,546)	(14,058)	(5,207)	(944)	(70)	(23,825)
Δ scope of operations and transfers	(223)	3	410	2	112	304
Employees at December 31, 2018	**64,616**	**97,029**	**33,066**	**3,566**	**268**	**198,545**

TURNOVER BY CATEGORY

FCA worldwide (no.)

	2018				
	Hourly	Salaried	Professional	Manager	Total
Employees at December 31, 2017	138,233	25,582	30,576	2,120	196,511
New Hires	19,595	4,472	1,414	74	25,555
Departures	(16,297)	(4,505)	(2,799)	(224)	(23,825)
Δ scope of operations, transfers and category change	(79)	(1,027)	1,285	125	304
Employees at December 31, 2018	**14,452**	**24,522**	**30,476**	**2,095**	**198,545**

HOURLY TURNOVER BY GEOGRAPHIC AREA

FCA worldwide (no.)

	2018				
	Europe	North America	Latin America	Asia	Rest of World
Employees at December 31, 2017	40,910	71,414	25,634	271	4
New Hires	1,342	13,843	4,372	36	2
Departures	(1,594)	(10,394)	(4,258)	(50)	(1)
Δ scope of operations, transfers and category change	(212)	(160)	256	(4)	41
Employees at December 31, 2018	**40,446**	**74,703**	**26,004**	**253**	**46**

TURNOVER BY AGE GROUP

FCA worldwide (no.)

	2018				
	Up to 30 Years	31 to 40 Years	41 to 50 Years	Over 50 Years	Total
Employees at December 31, 2017	43,241	46,841	53,723	52,706	196,511
New Hires	15,978	6,115	2,522	940	25,555
Departures	(11,251)	(5,488)	(2,790)	(4,296)	(23,825)
Δ scope of operations and transfers	(4,975)	374	(741)	5,646	304
Employees at December 31, 2018	**42,993**	**47,842**	**52,714**	**54,996**	**198,545**

Turnover by age does not cover employees that changed age group between 2017 and 2018.

TURNOVER BY GENDER

FCA worldwide (no.)

	2018		
	Men	Women	Total
Employees at December 31, 2017	157,171	39,340	196,511
New Hires	19,386	6,169	25,555
Departures	(18,362)	(5,463)	(23,825)
Δ scope of operations and transfers	259	45	304
Employees at December 31, 2018	**158,454**	**40,091**	**198,545**

EMPLOYEES | Occupational Health and Safety

INJURIES BY GEOGRAPHIC AREA AND GENDER

FCA worldwide (no.)

	2018			2017			2016		
	Total	Men	Women	**Total**	Men	Women	**Total**	Men	Women
Europe	**149**	125	24	**182**	152	30	**172**	137	35
North America	**89**	63	26	**89**	74	15	**97**	78	19
Latin America	**32**	31	1	**50**	43	7	**55**	53	2
Asia	**6**	6	-	**3**	3	-	**6**	6	-
Rest of world	**-**	-	-	**-**	-	-	**-**	-	-
Total	**276**	**225**	**51**	**324**	**272**	**52**	**330**	**274**	**56**

The vast majority of injuries resulted in employee absence of less than six months.

FREQUENCY RATE BY GEOGRAPHIC AREA AND GENDER

FCA worldwide (injuries per 100,000 hours worked)

	2018			2017			2016		
	Total	Men	Women	**Total**	Men	Women	**Total**	Men	Women
Europe	**0.12**	0.12	0.09	**0.14**	0.14	0.12	**0.13**	0.13	0.16
North America	**0.04**	0.04	0.06	**0.05**	0.05	0.04	**0.06**	0.06	0.05
Latin America	**0.07**	0.08	0.02	**0.11**	0.11	0.17	**0.10**	0.10	0.05
Asia	**0.03**	0.03	-	**0.01**	0.01	-	**0.03**	0.03	-
Rest of world	**-**	-	-	**-**	-	-	**-**	-	-
Total	**0.07**	**0.07**	**0.07**	**0.09**	**0.09**	**0.08**	**0.09**	**0.09**	**0.08**

DAYS OF ABSENCE BY GEOGRAPHIC AREA AND GENDER

FCA worldwide (no.)

	2018			2017			2016		
	Total	Men	Women	**Total**	Men	Women	**Total**	Men	Women
Europe	**5,059**	4,086	973	**3,263**	2,238	1,025	**6,063**	4,803	1,260
North America	**5,665**	4,134	1,531	**5,792**	4,679	1,113	**5,519**	4,383	1,136
Latin America	**2,028**	2,020	8	**587**	470	117	**1,141**	980	161
Asia	**104**	104	-	**54**	54	-	**100**	100	-
Rest of world	**-**	-	-	**-**	-	-	**-**	-	-
Total	**12,856**	**10,344**	**2,512**	**9,696**	**7,441**	**2,255**	**12,823**	**10,266**	**2,557**

Days of absence refers to the number of calendar days of absence (including Saturdays, Sundays and holidays) due to injuries that occurred to employees (hourly, salaried and professional) resulting in absence from work for more than three days, excluding the day the injury occurred.
Excluded from the calculation are days of absence due to injuries that occurred while traveling to and from work, including by private transportation.

SEVERITY RATE BY GEOGRAPHIC AREA AND GENDER

FCA worldwide (days of absence due to injuries per 1,000 hours worked)

	2018			2017			2016		
	Total	Men	Women	**Total**	Men	Women	**Total**	Men	Women
Europe	**0.04**	0.04	0.04	**0.02**	0.02	0.04	**0.05**	0.04	0.06
North America	**0.03**	0.03	0.03	**0.03**	0.03	0.03	**0.03**	0.03	0.03
Latin America	**0.05**	0.05	-	**0.01**	0.01	0.03	**0.02**	0.02	0.04
Asia	**0.01**	0.01	-	**-**	-	-	**0.01**	0.01	-
Rest of world	**-**	-	-	**-**	-	-	**-**	-	-
Total	**0.03**	**0.03**	**0.03**	**0.03**	**0.02**	**0.03**	**0.03**	**0.03**	**0.04**

OCCUPATIONAL ILLNESS CASES BY GEOGRAPHIC AREA AND GENDER

FCA worldwide (no.)

	2018			2017			2016		
	Total	Men	Women	**Total**	Men	Women	**Total**	Men	Women
Europe	**182**	133	49	**114**	88	26	**138**	101	37
North America	**183**	150	33	**198**	116	82	**362**	225	137
Latin America	**1**	1	-	**15**	15	-	**90**	90	-
Asia	**-**	-	-	**-**	-	-	**-**	-	-
Rest of world	**-**	-	-	**-**	-	-	**-**	-	-
Total	**366**	**284**	**82**	**327**	**219**	**108**	**590**	**416**	**174**

OCCUPATIONAL ILLNESS FREQUENCY RATE BY GEOGRAPHIC AREA AND GENDER

FCA worldwide (occupational illness cases per 100,000 hours worked)

	2018			2017			2016		
	Total	Men	Women	**Total**	Men	Women	**Total**	Men	Women
Europe	**0.14**	0.13	0.19	**0.09**	0.08	0.10	**0.11**	0.09	0.17
North America	**0.09**	0.10	0.07	**0.11**	0.08	0.22	**0.21**	0.17	0.34
Latin America	**-**	-	-	**0.03**	0.04	-	**0.16**	0.17	-
Asia	**-**	-	-	**-**	-	-	**-**	-	-
Rest of world	**-**	-	-	**-**	-	-	**-**	-	-
Total	**0.09**	**0.09**	**0.11**	**0.09**	**0.07**	**0.16**	**0.15**	**0.13**	**0.26**

FATALITIES

FCA worldwide

	2018	2017	2016
Fatal accidents (no.)	1	2	-
Fatality rate per 1,000,000 hours worked	0.003	0.005	-

2018 worked hours that were used to calculate frequency and severity rates were approximately 395 million.

SPENDING ON OCCUPATIONAL HEALTH AND SAFETY

FCA worldwide

	2018	2017	2016
Spending on Occupational Health and Safety (€ million)	160	169	163

EMPLOYEES | Freedom of Association and Collective Bargaining

MAIN ISSUES COVERED UNDER COLLECTIVE BARGAINING AGREEMENTS

FCA worldwide (%)

	2018
Operating issue	34.1
Wage issue	22.1
Restructuring	3.4
Occupational Health and Safety	10.3
Training	37.8
Equal opportunities	1.1
Other	8.3

Occupational Health and Safety includes work-related stress.

Direct Economic Value and Value Added Generated

The value added through the Group activities and distributed to our various stakeholders in 2018 totaled €14,436 million (about 13.1% of revenues).

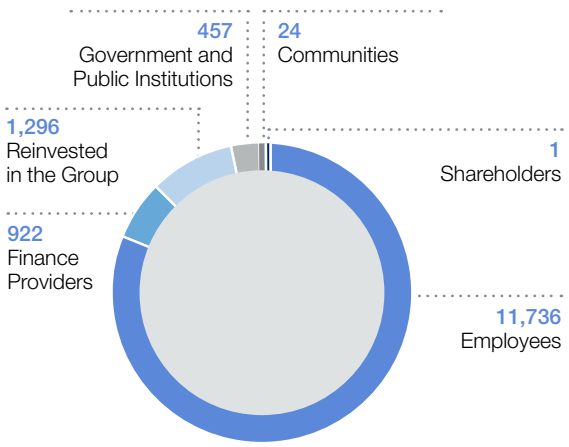
DIRECT ECONOMIC VALUE AND VALUE ADDED GENERATED

FCA worldwide (€ million)

	2018
Consolidated 2018 revenues	110,412
Income of financial services companies	(200)
Government grants (current and deferred/capitalized), release of provisions, other income	896
Other income	463
Direct economic value generated	**111,571**
Cost of materials	(86,106)
Depreciation and amortization	(5,507)
Other expense	(5,522)
Value added	**14,436**

BREAKDOWN OF VALUE ADDED

FCA (€ million)



PRODUCT

PUBLIC FUNDING FOR RESEARCH AND DEVELOPMENT

FCA worldwide (€ million)

	2018	2017
Grants	40	38
Loans	429	24
of which subsidized loans	9	24
of which EIB loans	420	-

EIB: European Investment Bank.

INVOLVEMENT IN EUROPEAN RESEARCH ORGANIZATIONS

European Technology Platforms	ERTRAC: Road transport
	EPoSS: Smart system integration
	EuMaT: Advanced engineering materials and technologies
	MANUFUTURE: Manufacturing and production processes
	NANOfutures: initiative for sustainable development by Nanotechnologies
Public-private partnerships	Green Vehicles Initiative
	Factories of the Future
	ECSEL: Components and electronic systems
	BBI: Bio Based Industries
Research and development organizations	EUCAR: European Council for Automotive R&D
	ERTICO-ITS Europe: network of Intelligent Transport Systems and Services
	EIT ICT Labs: Knowledge & Information Community
	EIT Raw Materials: Knowledge & Information Community
	Human Factors and Ergonomics Society - Europe Chapter

MAIN COLLABORATIVE EUROPEAN PROJECTS

Project name	Project focus
L3 Pilot	Autonomous Driving Project: In L3 Pilot thirteen car makers will perform field trials on vehicle automation in a wide range of driving situations, including parking, highway, and cities. L3 Pilot tests will evaluate the technical aspects and the overall impact on traffic and society. In L3 Pilot, FCA is managing all pilot activities across the European test sites.
5G Transformer	5G is the new revolutionary generation of cellular network. FCA is investigating the potential of the 5G cellular network in the automotive domain for infotainment, traffic information and, in the future, traffic safety.
5G Carmen	The 5G Carmen project will build a 5G-enabled corridor from Italy to Germany to conduct cross-border trials of 5G technologies in three major use cases: vehicle maneuver negotiation, infotainment, and eco-driving.
InDrive	InDrive demonstrates the future use of mass-market GNSS (Global Navigation Satellite System), targeting automotive applications with high demands for integrity and creating a framework that specifies the requirements for data acquisition, signal tracking and data fusion in order to guarantee the proper handling of positioning data.
C-Roads Italy	C-Roads Italy, coordinated by the Italian Ministry of Transport, will deploy and test vehicle cooperative systems in real traffic conditions, for automated driving applications of truck platooning, passenger car highway chauffeur and combined car-truck scenarios. FCA will evaluate how the exchange of messages among cars, trucks and road infrastructure will make the “highway chauffeur” function more resilient to different traffic conditions.
OPTEMUS	The OPTEMUS (Optimised energy management and use) project aims to improve the energy efficiency of electrified vehicles significantly by developing innovative core technologies (such as battery housing and insulation for thermal and electric energy storage) and complementary technologies including localized climate conditioning combined with intelligent controls (e.g., eco-driving and eco-routing strategies).
DOMUS	The DOMUS (Design and OptiMisation for efficient EVs based on a USer-centric approach) project focuses on defining a user-centric approach for the design of the new-generation electric vehicles by developing innovative solutions for the cabin intended to provide a significant improvement in energy efficiency while offering optimal comfort and safety.
ALLIANCE	The ALLIANCE (Affordable Lightweight Automobiles AlliaNCE) project brings together partners from across the lightweighting value chain to develop innovative materials and their respective manufacturing technologies. The aim is to decrease the energy consumption of cars by 10%, decreasing lifecycle environmental impact (in terms of GWP), and ensuring that the developed technologies achieve widespread adoption to keep the cost of lightweighting affordable.
ECOXY	ECOXY project focuses on a circular economy approach for the use of recyclable, reshapable and repairable, bio-based fiber-reinforced epoxy composites.
HEAT TO FUEL	HEAT TO FUEL project focuses on the next generation of biofuel production technologies supporting the de-carbonization of the transportation sector.
REVALUE	REVALUE project aims to develop an innovative technology to recycle carbon fibers, applied to the automotive sector.

PATENTS

FCA worldwide (no.)

Total patents granted at December 31, 2018	5,726
of which: granted during 2018	330
Patents pending at December 31, 2018	1,221
of which: new patent applications filed in 2018	298

DESIGNS

FCA worldwide (no.)

Design rights registered at December 31, 2018	1,941
of which registered in 2018	137

MATERIALS USED IN TYPE-APPROVED VEHICLES IN EUROPE

	Average Weight of Materials Used (kg)	Average Composition of Vehicles by Material (%)
Steel	729.88	56.2%
Cast iron	88.24	6.8%
Light alloys	113.89	8.2%
Other metals	33.90	2.6%
Polymers	166.54	12.8%
Elastomers	53.37	4.1%
Glass	36.16	2.7%
Fluids	58.63	4.4%
Other renewable	4.18	0.3%
Other nonrenewable	24.89	1.9%
Total	**1,309.66**	**100.0%**

Average for 2018 existing range of type-approved vehicles in Europe, based on Directive 2005/64/EC. Renewable and non-renewable according to GRI 301 standard definition; renewable materials are included only in the "Other renewable" materials label.

CUSTOMERS

CUSTOMER CONTACT CENTER PERFORMANCE

	EMEA	NAFTA	LATAM	APAC
Contacts managed (million)	5.6	20.6	1.4	0.1
Customers participating in satisfaction surveys	18.6%	6.4%	6.0%	10.0%
Satisfaction index Information (scale 1-10)	8.0	7.7	8.2	8.7
Satisfaction index Complaints (scale 1-10)	6.6	6.8	6.7	6.6
% of calls answered within 20 seconds	74.1%	76.0%	86.2%	88.0%
Information: cases settled in a single call	85.0%	78.0%	95.8%	93.0%
Complaints: % cases settled within 5 business days	66.0%	80.0%	54.5%	87.0%
Hours of personnel training (no.)	18,634	39,086	38,450	3,176
Personnel (agents and supervisors - no.)	449	845	133	45

APAC data refers to inbound contacts only.
APAC markets monitored through Customer Satisfaction Index are India and Korea.
APAC data related to complaint cases settled refers to Australia, India, Japan and Korea.
EMEA markets monitored through Customer Satisfaction Index are 19 major markets.
NAFTA markets monitored through Customer Satisfaction Index are U.S. and Canada.
NAFTA methodology for % complaint cases settled changed from business days to calendar days starting in October 2018.
LATAM markets monitored through Customer Satisfaction Index are Argentina and Brazil.

PRODUCTION | Certification and Environmental Expenditures

CERTIFIED PLANTS

FCA worldwide (no.)

	2018
ISO 14001 - Environment	97
ISO 50001 - Energy	79
OHSAS 18001 - Health and Safety	94

ENVIRONMENTAL EXPENDITURES

FCA worldwide

	2018
Environmental expenditures (€ million)	77
of which waste disposal, emissions treatment and remediation costs	60%
of which prevention and environmental management costs	40%

PRODUCTION | Energy

DIRECT AND INDIRECT ENERGY CONSUMPTION

FCA worldwide (GJ)

2018	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Electricity	19,200,530	10,384,370	4,992,975	548,860	593,723	186,328	2,102,811	102,013	289,451
Natural gas	20,201,447	15,946,610	1,435,828	843,143	341,332	282,326	1,118,631	106,201	127,378
Other fuels	1,008,986	105,526	402	-	12,063	-	881,293	3,287	6,415
Other energy sources	4,934,424	3,474,170	549,652	-	153,291	439,103	292,309	4	25,895
Total energy consumption	**45,345,387**	**29,910,676**	**6,978,856**	**1,392,003**	**1,100,408**	**907,757**	**4,395,044**	**211,504**	**449,139**

2017	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Electricity	19,356,326	10,301,003	5,075,745	636,572	619,114	225,667	2,065,794	121,645	310,786
Natural gas	19,025,054	14,921,273	1,278,381	775,495	345,230	392,157	1,090,112	107,501	114,905
Other fuels	792,823	73,356	440	-	-	-	709,986	3,411	5,630
Other energy sources	5,339,588	3,689,781	646,376	-	145,390	503,070	312,930	4	42,037
Total energy consumption	**44,513,791**	**28,985,413**	**7,000,941**	**1,412,067**	**1,109,735**	**1,120,894**	**4,178,822**	**232,561**	**473,358**

2016	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Electricity	19,348,042	10,353,703	5,238,830	567,598	624,227	216,126	1,934,406	107,567	305,585
Natural gas	18,211,129	13,914,755	1,335,569	841,265	387,459	402,572	1,127,303	99,252	102,955
Other fuels	581,351	38,524	892	-	-	115	533,778	2,889	5,153
Other energy sources	5,720,617	4,278,548	558,148	-	109,050	423,959	311,369	4	39,540
Total energy consumption	**43,861,139**	**28,585,530**	**7,133,438**	**1,408,863**	**1,120,736**	**1,042,771**	**3,906,856**	**209,712**	**453,232**

DIRECT ENERGY CONSUMPTION BY SOURCE

FCA worldwide (GJ)

2018	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Natural gas	20,201,447	15,946,610	1,435,828	843,143	341,332	282,326	1,118,631	106,201	127,378
Coal	815,865	-	-	-	-	-	815,865	-	-
Diesel	69,729	3,355	-	-	-	-	65,428	903	43
LPG	123,391	102,171	402	-	12,063	-	-	2,384	6,372
Other (HS and LS fuel oil)	-	-	-	-	-	-	-	-	-
Renewable sources	2,570	-	2,567	-	-	-	-	4	-
Total direct energy consumption	**21,213,003**	**16,052,136**	**1,438,796**	**843,143**	**353,394**	**282,326**	**1,999,924**	**109,491**	**133,792**

2017	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Natural gas	19,025,054	14,921,273	1,278,381	775,495	345,230	392,157	1,090,112	107,501	114,905
Coal	650,637	-	-	-	-	-	650,637	-	-
Diesel	64,051	3,409	-	-	-	-	59,349	1,257	36
LPG	78,135	69,947	440	-	-	-	-	2,154	5,594
Other (HS and LS fuel oil)	-	-	-	-	-	-	-	-	-
Renewable sources	3,143	88	3,055	-	-	-	-	-	-
Total direct energy consumption	**19,821,020**	**14,994,717**	**1,281,876**	**775,495**	**345,230**	**392,157**	**1,800,098**	**110,912**	**120,535**

2016	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Natural gas	18,211,129	13,914,755	1,335,569	841,265	387,459	402,572	1,127,303	99,252	102,955
Coal	482,467	-	-	-	-	-	482,467	-	-
Diesel	58,079	5,069	-	-	-	115	51,311	1,498	86
LPG	40,805	33,455	892	-	-	-	-	1,391	5,067
Other (HS and LS fuel oil)	-	-	-	-	-	-	-	-	-
Renewable sources	3,841	-	3,841	-	-	-	-	-	-
Total direct energy consumption	**18,796,321**	**13,953,279**	**1,340,301**	**841,265**	**387,459**	**402,687**	**1,661,081**	**102,141**	**108,108**

IPCC 2006 conversion factors used to calculate the direct energy consumption.

INDIRECT ENERGY CONSUMPTION BY SOURCE

FCA worldwide (GJ)

2018	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Electricity									
Nonrenewable sources	16,288,928	9,303,570	4,666,699	548,860	525,020	154,706	853,606	63,396	173,072
Renewable sources	2,909,038	1,080,800	323,712	-	68,702	31,623	1,249,205	38,617	116,379
Total electricity	**19,197,966**	**10,384,370**	**4,990,411**	**548,860**	**593,723**	**186,328**	**2,102,811**	**102,013**	**289,451**
Thermal energy									
Nonrenewable sources	3,698,224	2,591,324	348,534	-	65,462	418,919	252,639	-	21,345
Renewable sources	-	-	-	-	-	-	-	-	-
Total thermal energy	**3,698,224**	**2,591,324**	**348,534**	**0**	**65,462**	**418,919**	**252,639**	**0**	**21,345**
Other energy sources									
Nonrenewable sources	1,196,524	882,846	201,116	-	87,829	20,183	-	-	4,550
Renewable sources	39,670	-	-	-	-	-	39,670	-	-
Total other energy sources	**1,236,194**	**882,846**	**201,116**	**0**	**87,829**	**20,183**	**39,670**	**0**	**4,550**
Total indirect energy consumption	**24,132,384**	**13,858,540**	**5,540,060**	**548,860**	**747,014**	**625,431**	**2,395,120**	**102,013**	**315,346**

2017	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Electricity									
Nonrenewable sources	13,885,839	8,057,032	3,571,580	636,572	413,726	247	824,286	108,231	274,166
Renewable sources	5,467,562	2,243,955	1,501,256	-	205,389	225,420	1,241,508	13,414	36,620
Total electricity	**19,353,401**	**10,300,987**	**5,072,835**	**636,572**	**619,114**	**225,667**	**2,065,794**	**121,645**	**310,786**
Thermal energy									
Nonrenewable sources	4,055,302	2,811,944	402,127	-	62,390	479,569	270,832	-	28,440
Renewable sources	4	-	-	-	-	-	-	4	-
Total thermal energy	**4,055,306**	**2,811,944**	**402,127**	**0**	**62,390**	**479,569**	**270,832**	**4**	**28,440**
Other energy sources									
Nonrenewable sources	1,241,966	877,764	244,103	-	83,001	23,501	-	-	13,597
Renewable sources	42,098	-	-	-	-	-	42,098	-	-
Total other energy sources	**1,284,064**	**877,764**	**244,103**	**0**	**83,001**	**23,501**	**42,098**	**0**	**13,597**
Total indirect energy consumption	**24,692,771**	**13,990,696**	**5,719,065**	**636,572**	**764,505**	**728,737**	**2,378,724**	**121,649**	**352,823**

2016	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Electricity									
Nonrenewable sources	14,373,991	8,278,815	3,788,979	567,598	449,005	15,753	908,011	93,811	272,019
Renewable sources	4,970,274	2,074,888	1,446,074	-	175,222	200,372	1,026,395	13,756	33,566
Total electricity	**19,344,265**	**10,353,703**	**5,235,053**	**567,598**	**624,227**	**216,126**	**1,934,406**	**107,567**	**305,585**
Thermal energy									
Nonrenewable sources	4,474,263	3,387,176	351,127	-	44,320	401,912	263,298	-	26,430
Renewable sources	4	-	-	-	-	-	-	4	-
Total thermal energy	**4,474,267**	**3,387,176**	**351,127**	**0**	**44,320**	**401,912**	**263,298**	**4**	**26,430**
Other energy sources									
Nonrenewable sources	1,228,644	891,372	206,956	-	64,730	22,047	30,429	-	13,109
Renewable sources	17,642	-	-	-	-	-	17,642	-	-
Total other energy sources	**1,246,286**	**891,372**	**206,956**	**0**	**64,730**	**22,047**	**48,071**	**0**	**13,109**
Total indirect energy consumption	**25,064,818**	**14,632,251**	**5,793,137**	**567,598**	**733,277**	**640,084**	**2,245,775**	**107,571**	**345,124**

DIRECT AND INDIRECT ENERGY CONSUMPTION PER UNIT OF PRODUCTION

FCA worldwide

	Target 2020 vs 2010	2018	2017	2016	2010 (base year)	Unit of Measurement
Mass-market vehicle assembly and stamping	-30%	6.09	5.60	5.95	7.36	GJ/vehicle produced
Mass-market vehicle engines and transmissions	n.a.	0.84	0.81	0.83	0.90	GJ/unit produced
Mass-market vehicle casting	-40%	7.60	7.46	7.61	10.92	GJ/unit produced
Mass-market vehicle others	-40%	0.46	0.18	0.19	0.34	GJ/hour of production
Maserati	-25%	25.76	20.80	23.15	28.53	GJ/vehicle produced
Teksid (cast iron)	-0%	9.64	9.70	9.90	9.68	GJ/ton produced
Teksid (aluminum)	-15%	35.86	35.02	37.73	49.57	GJ/ton produced
Comau	-30%	17.75	18.89	17.00	27.76	MJ/hour of production
Plastic Components	-21%	0.20	0.20	0.20	0.23	GJ/hour of production
FCA	**up to 40%**					

Mass-market vehicle others refers to NAFTA region plants.

PRODUCTION | CO_2 Emissions

DIRECT AND INDIRECT CO_2 EMISSIONS

FCA worldwide (tons)

2018	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Direct emissions	1,129,268	820,675	73,907	42,203	18,136	15,839	144,784	6,172	7,551
Indirect emissions	2,470,137	1,406,267	686,584	75,150	65,358	51,294	147,285	8,489	29,711
Total CO_2 emissions	**3,599,405**	**2,226,942**	**760,491**	**117,353**	**83,494**	**67,133**	**292,069**	**14,661**	**37,262**

2017	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Direct emissions	1,054,493	769,896	66,083	38,746	17,554	22,048	127,103	6,261	6,802
Indirect emissions	2,458,992	1,398,577	661,740	93,583	55,777	43,844	152,139	12,145	41,188
Total CO_2 emissions	**3,513,485**	**2,168,473**	**727,823**	**132,329**	**73,331**	**65,892**	**279,242**	**18,406**	**47,990**

2016	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Direct emissions	995,285	717,465	68,985	41,969	19,639	22,674	112,685	5,766	6,102
Indirect emissions	2,604,072	1,506,692	716,596	81,959	58,355	31,037	157,183	10,810	41,439
Total CO_2 emissions	**3,599,357**	**2,224,157**	**785,581**	**123,928**	**77,994**	**53,711**	**269,869**	**16,576**	**47,541**

FCA reports direct CO_2 emissions based on direct energy consumption with the aid of the IPCC 2006 conversion factors. We report indirect CO_2 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 2017 and other regionally published factors such as the eGRID in the U.S.
Indirect emissions were calculated using the market-based method.
Scope 2 emissions were also calculated using location-based methods, and in 2018 resulted in 2,795,995 tons of CO_2.
Emissions of greenhouse gases (GHGs) other than CO_2 have a negligible impact and are therefore not included. CO_2 represents more than 99% of the Group's total GHG emissions.

DIRECT AND INDIRECT CO_2 EMISSIONS PER UNIT OF PRODUCTION

FCA worldwide

	Target 2020 vs 2010	2018	2017	2016	2010 (base year)	Unit of Measurement
Mass-market vehicle assembly and stamping	-32%	0.45	0.41	0.46	0.62	tons of CO_2/vehicle produced
Mass-market vehicle engines and transmissions	n.a.	0.09	0.08	0.09	0.12	tons of CO_2/unit produced
Mass-market vehicle casting	-35%	0.64	0.70	0.67	0.99	tons of CO_2/ton produced
Mass-market vehicle others	-35%	0.04	0.02	0.02	0.03	tons of CO_2/hour of production
Maserati	-30%	1.91	1.22	1.19	1.84	tons of CO_2/vehicle produced
Teksid (cast iron)	-0%	0.72	0.72	0.75	0.69	tons of CO_2/ton produced
Teksid (aluminum)	-15%	1.50	1.55	2.06	3.35	tons of CO_2/ton produced
Comau	-40%	1.23	1.49	1.34	2.67	kg of CO_2/hour of production
Plastic Components	-24%	0.02	0.02	0.02	0.03	tons of CO_2/hour of production
FCA	**up to -40%**					

Mass-market vehicle others refers to NAFTA region plants.

ELECTRICITY FROM RENEWABLE SOURCES

FCA worldwide

	2018	2017	2016	2010
Mass-market vehicle assembly and stamping	10.4%	21.8%	20.0%	17.9%
Mass-market vehicle engines and transmissions	6.5%	29.6%	27.6%	9.3%
Mass-market vehicle casting	-	-	-	-
Mass-market vehicle others	11.6%	33.2%	28.1%	-
Maserati	17.0%	99.9%	92.7%	-
Teksid	61.3%	62.1%	53.1%	53.9%
Comau	37.9%	11.0%	12.8%	0.9%
Plastic Components	40.2%	11.8%	11.0%	9.0%
Average FCA	**15.2%**	**28.5%**	**25.7%**	**19.7%**

PRODUCTION | Other Manufacturing Emissions and Impacts

PRESENCE OF OZONE DEPLETING SUBSTANCES (ODS) IN EQUIPMENT

FCA worldwide (tons of trichlorofluoromethane equivalent - CFC-11e)

2018	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
CFCs	0.1	-	-	-	-	-	-	-	-
HCFCs	3.5	2.8	0.5	0.1	0.2	-	-	-	-
Halons	0.2	0.2	-	-	-	-	-	-	-
Methyl bromide	-	-	-	-	-	-	-	-	-
Other CFCs fully halogenated	-	-	-	-	-	-	-	-	-
Total	**3.8**	**3.0**	**0.5**	**0.1**	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**

2017	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
CFCs	1.1	1.0	-	-	0.1	-	-	-	-
HCFCs	3.9	3.2	0.5	0.1	0.2	-	-	-	-
Halons	-	-	-	-	-	-	-	-	-
Methyl bromide	-	-	-	-	-	-	-	-	-
Other CFCs fully halogenated	1.7	1.6	-	-	-	-	-	-	-
Total	**6.7**	**5.8**	**0.5**	**0.1**	**0.3**	**0.0**	**0.0**	**0.0**	**0.0**

2016	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
CFCs	1.1	1.1	-	-	-	-	-	-	-
HCFCs	6.2	5.3	0.6	0.1	0.2	-	-	-	-
Halons	1.0	0.7	-	0.3	-	-	-	-	-
Methyl bromide	-	-	-	-	-	-	-	-	-
Other CFCs fully halogenated	-	-	-	-	-	-	-	-	-
Total	**8.3**	**7.1**	**0.6**	**0.4**	**0.2**	**0.0**	**0.0**	**0.0**	**0.0**

EMISSIONS OF NITROGEN OXIDES (NOx)

FCA worldwide (tons)

	2018	2017	2016
Mass-market vehicle assembly and stamping	892	890	838
Mass-market vehicle engines and transmissions	80	78	80
Mass-market vehicle casting	36	33	36
Mass-market vehicle others	20	18	21
Maserati	33	47	46
Teksid	172	161	179
Comau	13	12	12
Plastic Components	16	14	12
Total NO_x emissions	**1,263**	**1,253**	**1,224**

Estimated emissions based on direct fuel consumption.

EMISSIONS OF SULFUR OXIDES (SOx)

FCA worldwide (tons)

	2018	2017	2016
Mass-market vehicle assembly and stamping	5	4	3
Mass-market vehicle engines and transmissions	-	-	-
Mass-market vehicle casting	-	-	-
Mass-market vehicle others	-	-	-
Maserati	-	-	-
Teksid	125	101	79
Comau	-	-	-
Plastic Components	-	-	-
Total SO_x emissions	**130**	**105**	**82**

Estimated emissions based on direct fuel consumption.

EMISSIONS OF DUST

FCA worldwide (tons)

	2018	2017	2016
Mass-market vehicle assembly and stamping	43	38	35
Mass-market vehicle engines and transmissions	4	3	3
Mass-market vehicle casting	3	2	3
Mass-market vehicle others	1	1	1
Maserati	-	-	-
Teksid	19	15	11
Comau	-	-	-
Plastic Components	-	-	-
Total dust emissions	**69**	**59**	**53**

Estimated emissions based on direct fuel consumption.

EMISSIONS OF VOLATILE ORGANIC COMPOUNDS (VOC)

FCA worldwide (tons)

	2018	2017	2016
Mass-market vehicle assembly and stamping	13,895	14,743	14,219
Mass-market vehicle engines and transmissions	-	-	-
Mass-market vehicle casting	-	-	-
Mass-market vehicle others	-	-	-
Maserati	148	90	102
Teksid	9	8	10
Comau	2	2	2
Plastic Components	21	13	9
Total VOC emissions	**14,075**	**14,858**	**14,342**

Estimated emissions based on direct fuel consumption.

EMISSIONS OF VOLATILE ORGANIC COMPOUNDS (VOC) PER UNIT OF PRODUCTION

FCA worldwide (g/m^2)

	Target 2020 vs 2010	2018	2017	2016	2010 (base year)
Mass-market vehicle assembly and stamping	-25%	24.2	26.2	25.8	32.4
Mass-market vehicle engines and transmissions	n.a.	-	-	-	-
Mass-market vehicle casting	n.a.	-	-	-	-
Mass-market vehicle others	n.a.	-	-	-	-
Maserati	-19%	24.1	27.9	28.2	55.3
Teksid	-68%	38.9	39.9	58.7	198.5
Comau	0%	12.7	12.7	12.9	14.1
Plastic Components	-10%	20.7	15.6	9.8	48.1
FCA average VOC emissions	**up to -68%**	**24.2**	**25.6**	**25.5**	**33.2**

PRODUCTION | Water

WATER WITHDRAWAL AND DISCHARGE

FCA worldwide (thousands of m³)

2018	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Withdrawal									
Groundwater	5,511	2,815	466	219	75	131	1,701	27	77
Municipal water supply	15,517	12,079	2,658	82	252	111	225	43	67
Surface water	450	218	-	-	-	-	179	-	54
Other	173	169	3	-	-	-	-	-	-
Total water withdrawal	**21,651**	**15,281**	**3,127**	**301**	**328**	**243**	**2,104**	**70**	**198**
Discharge									
Surface water	4,576	1,646	653	-	61	-	2,190	-	25
Public sewer systems	10,358	8,301	1,501	7	144	234	37	42	92
Other destinations	2,233	167	2,037	2	11	-	1	12	3
Total water discharge	**17,167**	**10,114**	**4,191**	**9**	**216**	**234**	**2,228**	**54**	**120**

2017	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Withdrawal									
Groundwater	5,941	2,980	460	207	26	173	1,965	31	99
Municipal water supply	15,568	11,878	2,809	117	316	146	193	38	71
Surface water	392	227	7	-	-	-	157	-	-
Other	-	-	-	-	-	-	-	-	-
Total water withdrawal	**21,901**	**15,085**	**3,276**	**324**	**342**	**319**	**2,315**	**69**	**171**
Discharge									
Surface water	4,214	1,960	697	-	-	-	1,542	1	14
Public sewer systems	9,321	7,143	1,340	6	224	298	232	39	39
Other destinations	694	102	547	6	28	-	-	11	-
Total water discharge	**14,228**	**9,205**	**2,584**	**11**	**252**	**298**	**1,774**	**51**	**54**

2016	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Withdrawal									
Groundwater	5,525	2,822	405	227	-	166	1,832	36	37
Municipal water supply	16,234	12,360	3,069	142	365	28	159	40	70
Surface water	480	292	1	-	-	-	180	3	4
Other	9	9	-	-	-	-	-	-	-
Total water withdrawal	**22,248**	**15,483**	**3,476**	**370**	**365**	**194**	**2,170**	**79**	**111**
Discharge									
Surface water	4,678	1,883	695	-	-	-	2,083	1	16
Public sewer systems	11,212	9,253	1,260	49	244	118	210	40	37
Other destinations	455	48	397	-	-	-	-	10	-
Total water discharge	**16,345**	**11,184**	**2,352**	**49**	**244**	**118**	**2,293**	**51**	**53**

FCA withdrawn and discharged water is considered as freshwater.
In addition to any legal requirements, FCA regularly measures and analyzes certain heavy metals in its wastewater when present in the manufacturing process, such as nickel (Ni), zinc (Zn), lead (Pb), cadmium (Cd) and copper (Cu). These analyses provide a comprehensive view of FCA's overall impact on water quality to maintain levels well below legal limits. No incident of non-compliance was recorded in 2018.

WATER WITHDRAWAL PER UNIT OF PRODUCTION

FCA worldwide

	Target 2020 vs 2010	2018	2017	2016	2010 (base year)	Unit of Measurement
Mass-market vehicle assembly and stamping	-40%	3.12	3.12	3.19	4.99	m³/vehicle produced
Mass-market vehicle engines and transmissions	-52%	0.37	0.38	0.40	0.67	m³/unit produced
Mass-market vehicle casting	-15%	1.64	1.71	2.00	2.07	m³/ton produced
Mass-market vehicle others	-50%	0.05	0.05	0.05	0.10	m³/hour of production
Maserati	-15%	5.61	5.92	7.18	14.68	m³/vehicle produced
Teksid (cast iron)	-11%	1.76	1.99	2.32	3.15	m³/ton produced
Teksid (aluminum)	-77%	50.11	55.15	48.91	154.27	m³/ton produced
Comau	-50%	5.76	5.68	6.59	14.10	l/hour of production
Plastic Components	-50%	0.07	0.08	0.05	0.12	m³/hour of production
FCA	**up to -77%**					

Mass-market vehicle others refers to NAFTA region plants.
The base year figure for Plastic Components was not restated, and refers to the entire 2010 Magneti Marelli normalized value.

WATER RECYCLING INDEX

FCA worldwide (thousands of m³)

2018	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Total water requirement	**2,340,351**	**1,710,990**	**439,052**	**117,055**	**30,924**	**17,374**	**4,338**	**70**	**20,548**
of which covered by recycling	2,318,700	1,695,709	435,925	116,754	30,597	17,131	2,233	-	20,350
of which water withdrawal	21,651	15,281	3,127	301	328	243	2,104	70	198
Recycling Index (%)	**99.1**	**99.1**	**99.3**	**99.7**	**98.9**	**98.6**	**51.5**	**0.0**	**99.0**

2017	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Total water requirement	**2,090,867**	**1,505,468**	**382,954**	**117,455**	**35,435**	**24,345**	**4,746**	**69**	**20,395**
of which covered by recycling	2,068,965	1,490,383	379,678	117,131	35,092	24,026	2,431	-	20,224
of which water withdrawal	21,901	15,085	3,276	324	342	319	2,315	69	171
Recycling Index (%)	**99.0**	**99.0**	**99.1**	**99.7**	**99.0**	**98.7**	**51.2**	**0.0**	**99.2**

2016	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Total water requirement	**2,243,297**	**1,549,080**	**526,620**	**113,903**	**16,303**	**12,812**	**4,795**	**79**	**19,704**
of which covered by recycling	2,221,048	1,533,597	523,144	113,534	15,938	12,618	2,625	-	19,593
of which water withdrawal	22,248	15,483	3,476	370	365	194	2,170	79	111
Recycling Index (%)	**99.0**	**99.0**	**99.3**	**99.7**	**97.8**	**98.5**	**54.7**	**0.0**	**99.4**

WATER RESOURCES SIGNIFICANTLY AFFECTED BY WATER WITHDRAWAL AND/OR DISCHARGE AT PLANTS

FCA worldwide

Plant Location and Activity	Water Source (Name and Size in m³/Year)	Use	Protected Water Body	High Biodiversity Value Water Body	Water Withdrawal	Water Discharges
Teksid Carmagnola (Italy) Component Plant	Gora del Naviglio river - 3.5 million	Process water effluent	no	no	no	57%

Water withdrawals and water discharges representing more than 5% of the average annual volume of the water body concerned.

PRODUCTION | Waste

WASTE GENERATION AND MANAGEMENT

FCA worldwide (tons)

2018	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Nonhazardous waste recovered	607,503	377,735	81,641	430	5,941	2,741	133,516	1,827	3,672
Hazardous waste recovered	19,233	12,496	4,810	-	681	322	433	179	313
Waste recovered	**626,736**	**390,231**	**86,451**	**430**	**6,622**	**3,062**	**133,949**	**2,006**	**3,984**
Nonhazardous waste to landfill	237,742	13,323	607	-	725	-	223,086	-	-
Hazardous waste to landfill	1,112	561	130	-	-	-	421	-	-
Waste to landfill	**238,854**	**13,885**	**737**	**0**	**725**	**0**	**223,507**	**0**	**0**
Nonhazardous waste to treatment	5,827	1,900	1,237	129	76	197	2,269	1	18
Hazardous waste to treatment	3,754	2,081	979	-	94	79	53	11	456
Waste to treatment	**9,581**	**3,981**	**2,216**	**129**	**170**	**276**	**2,321**	**12**	**475**
Total waste generated	**875,170**	**408,096**	**89,404**	**559**	**7,517**	**3,339**	**359,778**	**2,018**	**4,459**

2017	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Nonhazardous waste recovered	654,048	410,220	83,972	418	6,843	3,680	142,876	2,041	3,998
Hazardous waste recovered	20,350	12,113	5,885	-	346	329	979	195	503
Waste recovered	**674,398**	**422,334**	**89,857**	**418**	**7,189**	**4,009**	**143,855**	**2,236**	**4,500**
Nonhazardous waste to landfill	227,085	11,913	699	3	624	-	213,846	-	-
Hazardous waste to landfill	993	842	150	-	-	-	-	-	1
Waste to landfill	**228,078**	**12,755**	**849**	**3**	**624**	**0**	**213,846**	**0**	**1**
Nonhazardous waste to treatment	8,088	1,314	5,819	125	14	471	310	1	35
Hazardous waste to treatment	4,340	2,018	1,243	-	57	238	301	13	470
Waste to treatment	**12,428**	**3,332**	**7,062**	**125**	**71**	**709**	**611**	**14**	**505**
Total waste generated	**914,905**	**438,421**	**97,768**	**546**	**7,884**	**4,718**	**358,312**	**2,250**	**5,006**

2016	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Nonhazardous waste recovered	1,091,226	781,646	127,921	27,526	16,062	2,099	129,721	1,946	4,305
Hazardous waste recovered	20,364	12,523	6,087	-	304	51	846	203	350
Waste recovered	**1,111,590**	**794,170**	**134,007**	**27,526**	**16,366**	**2,150**	**130,567**	**2,149**	**4,656**
Nonhazardous waste to landfill	175,797	11,423	940	-	660	-	162,773	-	-
Hazardous waste to landfill	1,411	1,171	240	-	-	-	-	-	-
Waste to landfill	**177,208**	**12,595**	**1,180**	**0**	**660**	**0**	**162,773**	**0**	**0**
Nonhazardous waste to treatment	24,739	14,063	10,211	191	127	10	96	14	27
Hazardous waste to treatment	3,478	1,308	1,233	-	90	98	226	32	491
Waste to treatment	**28,218**	**15,371**	**11,444**	**191**	**217**	**107**	**322**	**46**	**519**
Total waste generated	**1,317,015**	**822,135**	**146,631**	**27,717**	**17,243**	**2,257**	**293,662**	**2,195**	**5,174**

WASTE GENERATED PER UNIT OF PRODUCTION

FCA worldwide

	Target 2020 vs 2010	2018	2017	2016	2010 (base year)	Unit of Measurement
Mass-market vehicle assembly and stamping	-14%	83.3	90.8	169.4	217.2	kg/vehicle produced
Mass-market vehicle engines and transmissions	-21%	10.7	11.4	17.0	21.3	kg/unit produced
Mass-market vehicle casting	n.a.	3.1	2.9	149.8	179.0	kg/ton produced
Mass-market vehicle others	n.a.	0.9	0.5	3.2	2.4	kg/hour of production
Maserati	-25%	77.2	87.5	83.5	147.2	kg/vehicle produced
Teksid (cast iron)	-8%	983	1,059	1,008	1,250	kg/ton produced
Teksid (aluminum)	-12%	659	609	501	450	kg/ton produced
Comau	-34%	167	184	182	400	g/hour of production
Plastic Components	-30%	2.1	2.2	2.4	3.1	kg/hour of production
FCA	**up to 34%**					

Mass-market vehicle others refers to NAFTA region plants.
The base year figure for Plastic Components was not restated, and refers to the entire 2010 Magneti Marelli normalized value.

HAZARDOUS WASTE GENERATED PER UNIT OF PRODUCTION

FCA worldwide

	Target 2020 vs 2010	2018	2017	2016	2010 (base year)	Unit of Measurement
Mass-market vehicle assembly and stamping	-54%	3.1	3.1	3.1	8.2	kg/vehicle produced
Mass-market vehicle engines and transmissions	-75%	0.7	0.8	0.9	2.3	kg/unit produced
Mass-market vehicle casting	0%	-	-	-	-	kg/ton produced
Mass-market vehicle others	0%	-	-	-	-	kg/hour of production
Maserati	-25%	9.3	10.5	5.5	14.2	kg/vehicle produced
Teksid (cast iron)	-17%	2.0	3.1	2.8	5.8	kg/ton produced
Teksid (aluminum)	-17%	6.7	9.8	9.6	32.7	kg/ton produced
Comau	-57%	15.7	17.1	19.5	100.0	g/hour of production
Plastic Components	-30%	0.4	0.4	0.4	0.8	kg/hour of production
FCA	**up to 75%**					

Mass-market vehicle others refers to NAFTA region plants.
The base year figure for Plastic Components was not restated, and refers to the entire 2010 Magneti Marelli normalized value.
In alignment with the terms of the Basel Convention, 109 tons of paint shop-related hazardous waste were exported from Canada to the United States for recycling, representing approximately 0.01% of all waste generated by FCA.

RECOVERY OF WASTE

FCA worldwide (% waste recovered out of waste generated)

	2020 Target	2018	2017	2016	2010
Mass-market vehicle assembly and stamping	98%	95.6%	96.3%	96.6%	94.0%
Mass-market vehicle engines and transmissions	96%	96.7%	91.9%	91.4%	84.6%
Mass-market vehicle casting	95%	76.9%	76.6%	99.3%	98.9%
Mass-market vehicle others	95%	88.1%	91.2%	94.9%	93.2%
Maserati	91%	91.7%	85.0%	95.2%	84.6%
Teksid	45%	37.2%	40.1%	44.5%	19.7%
Comau	95%	99.4%	99.4%	97.9%	66.0%
Plastic Components	90%	89.4%	89.9%	90.0%	82.6%
FCA	**up to 98%**				

The base year figure for Plastic Components was not restated, and refers to the entire 2010 Magneti Marelli normalized value.

WASTE TO LANDFILL

FCA worldwide (% waste sent to landfill out of waste generated)

	2020 Target	2018	2017	2016	2010
Mass-market vehicle assembly and stamping	1%	3.4%	2.9%	1.5%	4.4%
Mass-market vehicle engines and transmissions	1%	0.8%	0.9%	0.8%	3.5%
Mass-market vehicle casting	2%	0.0%	0.5%	0.0%	1.1%
Mass-market vehicle others	2%	9.6%	7.9%	3.8%	6.2%
Maserati	0%	0.0%	0.0%	0.0%	0.0%
Teksid	70%	62.1%	59.7%	55.4%	80.1%
Comau	0%	0.0%	0.0%	0.0%	14.7%
Plastic Components	3%	0.0%	0.0%	0.0%	10.4%
FCA	**up to 0%**				

The base year figure for Plastic Components was not restated, and refers to the entire 2010 Magneti Marelli normalized value.

PRODUCTION | Biodiversity Conservation

PLANTS NEAR, BORDERING OR WITHIN PROTECTED OR HIGH BIODIVERSITY AREAS

Plant Location and Activity	Surface (km²)	IUCN Red List Species/National Conservation List Species Present	Investment (€)	Action Taken	Independent Monitoring	Protected Area Relative to Plant
Verrone (Italy) Transmissions plant	1.8	44 species listed: 2 endangered 2 vulnerable 2 near threatened 38 least concern	76,200	Technical assistance for biodiversity: analysis and assessment of carbon stocks and carbon sink of forest areas. Technical experiments of bioacoustics: characterization of the acoustic landscape within the park through the installation of recording units to detect the peaks and the nature of acoustic energy. State of conservation improving: management activities and support interventions to highlight the areas of greatest natural value, and identify those areas where biodiversity is threatened by external interference. Biophilia: continuation of environmental awareness campaigns to encourage appreciation among children for natural environments.	Yes	Within plant complex
Campo Largo (Brazil) Engine plant	1.2	Flora: 54 species listed: 3 endangered 2 rare species 8 exotic species 41 not threatened Fauna: 88 species listed: 1 critically endangered 87 not threatened	-	Eco-tours of Ecological Trail and Forest House provided to employees and schools.	Yes	Adjacent to plant (within 5 km)
Goiana (Brazil) Assembly and Stamping plant	3.04	Fauna: 108 species listed: 10 endangered 22 vulnerable 2 near threatened 33 least concern 14 not threatened 1 introduced 26 unrated Flora: 25 species listed: 25 threatened	170,000	Historical research on Atlantic forest fauna and flora (Zona da Mata Norte). Established a nursery of native seedlings, with production of approximately 60,000 seedlings yearly. In 2018, 57,000 native seedlings were planted to create an ecological corridor. Conducted visits to plant, nursery and biodiversity park by local schools as part of our Education Program.	Yes	Adjacent to plant (within 5 km)
Jaboatão dos Guararapes (Brazil) Vehicle Components plant	0.10	41 species listed 41 unrated	-	Eco-tours provided within the site to employees and children.	No	Adjacent to plant (within 5 km)

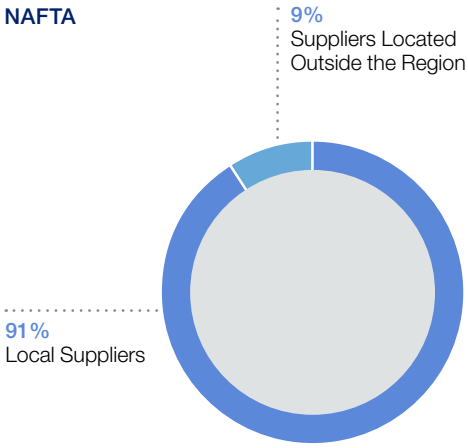
A protected area (site of regional, national or EU importance, special protection zone, oasis, etc.) is a geographically defined area that is designated, regulated or managed to achieve specific conservation objectives. An area of high biodiversity value is an area that is not subject to legal protection, but is recognized by governmental and non-governmental organizations for its significant biodiversity.
FCA reported no significant direct or indirect impacts on biodiversity.
FCA reports only on locations or plants included in protected areas or that have an active biodiversity project in their respective areas.

SUPPLIER MANAGEMENT

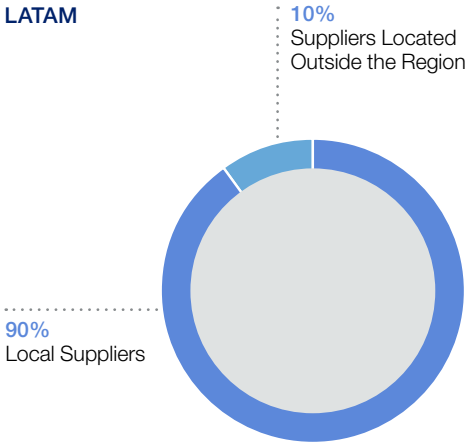
VALUE OF DIRECT MATERIAL PURCHASES FROM LOCAL SUPPLIERS

FCA Purchasing worldwide

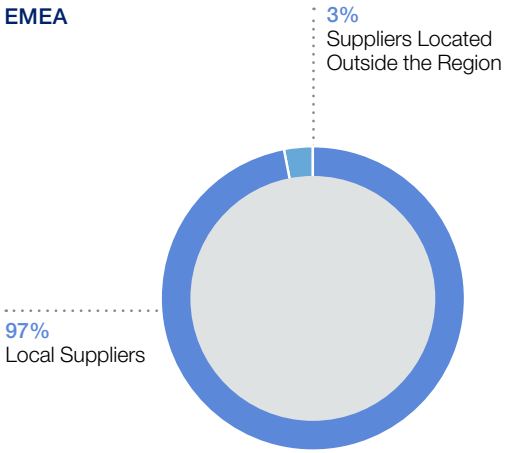
NAFTA



LATAM

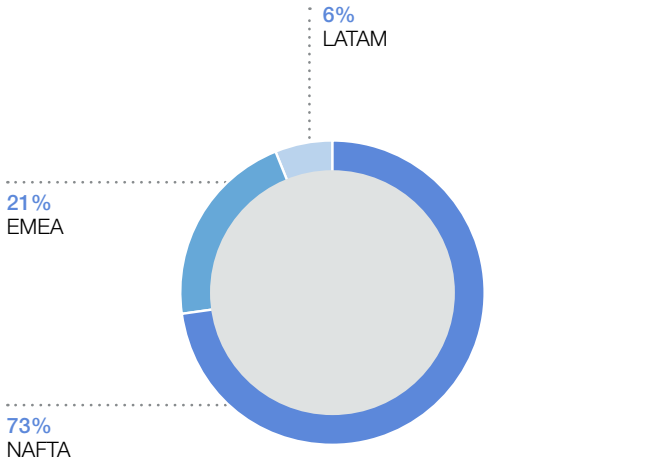


EMEA



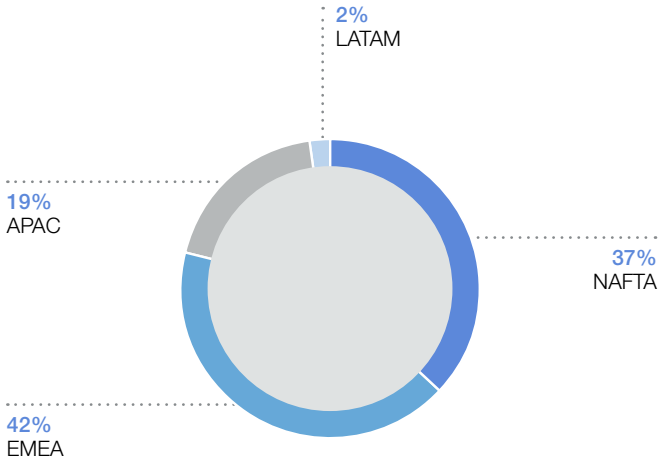
VALUE OF DIRECT MATERIAL PURCHASES BY DESTINATION

FCA Purchasing worldwide



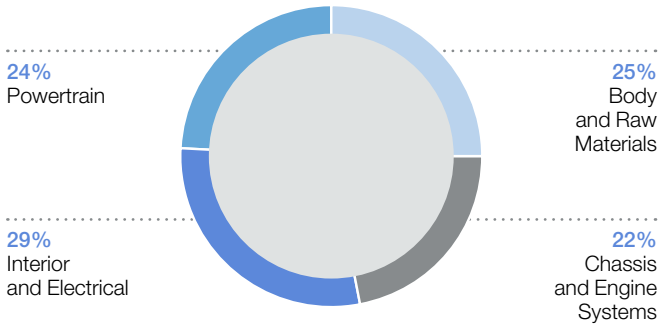
VALUE OF DIRECT MATERIAL PURCHASES BY ORIGIN

FCA Purchasing worldwide



VALUE OF DIRECT MATERIAL PURCHASES BY TYPE

FCA Purchasing worldwide



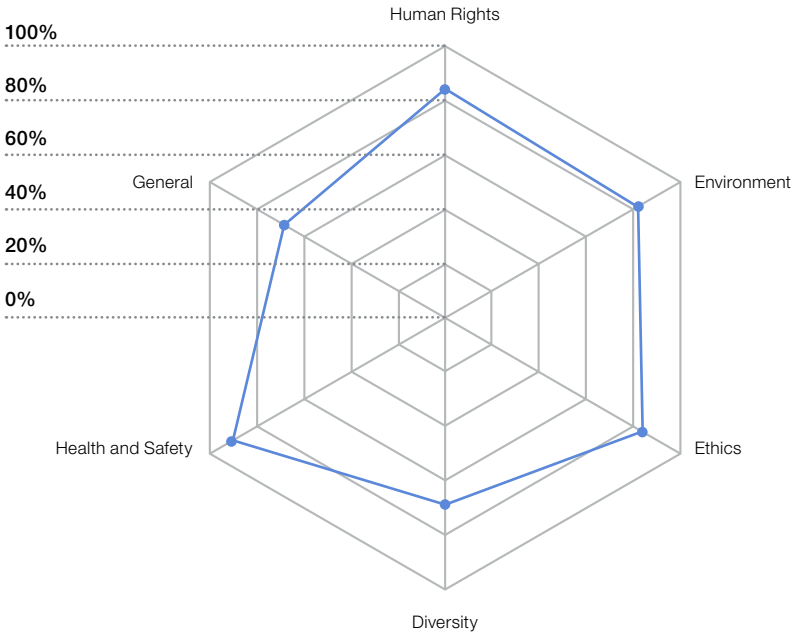
SUPPLIER SUSTAINABILITY SELF-ASSESSMENT RESULTS

FCA Purchasing worldwide

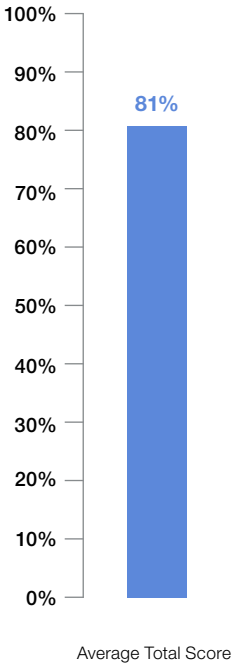
	2018	2017	2016
Suppliers who were requested to provide the self-assessment questionnaires	2,032	2,116	1,629
Suppliers responding to questionnaire (%)	38	39	49
Purchases by value covered by responding suppliers (%)	74	72	69
Average score	81/100	79/100	76/100

Number of questionnaires refers to suppliers' Top Parent or headquarters code.

AVERAGE SCORE BY VALUE



AVERAGE TOTAL



AUDIT RESULTS

FCA Purchasing worldwide

	2018	2017	2016
Sustainability audits (no.)	88	48	53
Performed by FCA personnel (Supplier Quality Engineers)	5	14	18
Performed by a third party	83	34	35
Purchases by value covered by audits (%)	7	3	10

CORRECTIVE ACTION PLANS

FCA Purchasing worldwide

Aspects	Number of Suppliers with Agreed-Upon Action Plans	% Suppliers with Significant Actual and Potential Negative Impacts, with Agreed-Upon Action Plans of those audited	Main Action Plan Topics
Environment	9	10%	Environmental management: - Lack of formal document - Lack of management system - Lack of certification Environmental performance: - Lack of targets for GHG emissions; energy consumption and efficiency; air emissions
Labor practices	24	27%	Diversity employee training Occupational Health and Safety: - Lack of certification Supplier safety audits Supplier compliance & ethics training Sustainability monitoring in the supply chain
Human rights	3	3%	Code of conduct: - Lack of communication - Lack of a formal grievance mechanism Lack of references in the code of conduct to: - Basic human rights - Compensation and working hours including overtime Supplier contractual requirement: - Lack of formal document
Impact on society	12	14%	Anti-corruption practice: - Lack of communication Supplier code of conduct: - Lack of formal document - Lack of communication - No reference to compensation and working hours including overtime
Total number of suppliers with agreed-upon action plans	25	28%	-

The percentage is calculated based on the 88 suppliers audited.

LOGISTICS

INDIRECT CO_2 EMISSIONS FROM LOGISTICS PROCESSES

FCA worldwide (thousands of tons of CO_2)

	2018	2017	2016
Upstream	853	819	738
Downstream	678	644	716
Mopar	57	58	60
Total logistics CO_2 emissions	**1,588**	**1,521**	**1,514**

Calculations were 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. Emission factors are taken from international standards or governmental agency guidelines, among which: standard EN16258, U.S. Department of Energy, Brazilian Ministry of Transport, DEFRA-U.K. Department for Environment, Food and Rural Affairs.
Upstream refers to material and parts distribution to plants.
Downstream refers to finished vehicle distribution to markets.
Scope 3 emissions presented in the table above are related to logistics processes.

DEFINITIONS, METHODOLOGY AND SCOPE

The FCA NV Sustainability Report, now in its 14th edition, is a voluntary document issued by the Group according to GRI Sustainability Reporting Standards issued in 2016 by the GRI-Global Reporting Initiative[1] to provide stakeholders a comprehensive picture of FCA activities, results and commitments in the economic, environmental and social spheres.

This appendix provides a methodology guide.

Unless otherwise specified or required by the context in which they are used:

- the terms "FCA," "Group" and "Company" refer to all companies consolidated within Fiat Chrysler Automobiles N.V. for accounting purposes (see subsidiaries consolidated in the FCA NV Annual Report)
- the term "company" is used with reference to a selection among the following entities: FCA Italy, FCA US, Maserati, Comau, Teksid, FCA Services and other companies
- the term "FCA US" refers to all companies consolidated within FCA US LLC for accounting purposes (see subsidiaries consolidated in the FCA NV Annual Report)
- the term "FCA Italy" refers to all companies consolidated within FCA Italy S.p.A. for accounting purposes (see subsidiaries consolidated in the FCA NV Annual Report)
- the term "operating segment" refers to the segments of the Group that are regularly reviewed by the Chief Executive Officer for making strategic decisions and allocating resources and assessing performance. They include four regional mass-market vehicle operating segments: EMEA (Europe, Russia, Middle East and Africa), NAFTA (U.S., Canada and Mexico), LATAM (South and Central America) and APAC (Asia and Pacific countries) and the Maserati global luxury brand operating segment. The results of our Magneti Marelli business were previously reported within the Components segment along with our industrial automation systems design and production business and our cast iron and aluminum components business. Following the classification of Magneti Marelli as a discontinued operation for the years ended December 31, 2018, 2017 and 2016 (refer to the 2018 FCA Annual Report, Note 3, Scope of consolidation), the remaining activities within the Components segment are no longer considered a separate reportable segment as defined by IFRS 8 and are reported within "Other activities." Other activities include the results of our industrial automation systems design and production business and our cast iron and aluminum components business, as well as the activities and businesses that are not operating segments under IFRS 8 – Operating Segments.
- the term "customer" as used in this Report refers to the end user of our products or services.

Unless otherwise indicated or required by the context, the information and data contained in this Sustainability Report relate to financial year 2018 (January 1, 2018 to December 31, 2018) and to all FCA companies worldwide falling within the scope of consolidation at December 31, 2018.

In order to ensure that information is comparable and meaningful over time, some data for past years was restated to ensure comparability in terms of scope. This report excludes information relating to our Magneti Marelli business[2] to allow comparability with the Group's Consolidated Financial Statements, where Magneti Marelli's operations met the criteria to be classified as a disposal group held for sale and a discontinued operation pursuant to IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*. Information relating to 2017, 2016 and 2010 has been re-presented to exclude Magneti Marelli. For historical data and information previously published and over which the independent auditor carried out a limited assurance engagement, please refer to 2017 and 2016 Sustainability Reports respectively.

We monitor our operations through the use of several non-generally accepted accounting principles (non-GAAP) financial measures: Net debt, Net industrial debt, Adjusted Earnings Before Interest and Taxes (Adjusted EBIT) and Adjusted net profit; for reconciliations of each of these non-GAAP financial measures to the most directly comparable measure included in our Consolidated Financial Statements, refer to the 2018 FCA Annual Report on the Company's website at www.fcagroup.com.

The exclusion of any geographical area, Group company, or specific site from the scope of reporting is attributable to the inability to obtain data of satisfactory quality, or to its immateriality in relation to the Group as a whole, as may be the case for newly-acquired entities or production activities that are not yet fully operational.

[1] The Global Reporting Initiative (GRI) is a multi-stakeholder process for the development and disclosure of Sustainability Reporting Guidelines. The GRI Sustainability Reporting Standards offer an international reference for the disclosure of governance approach and of the environmental, social and economic performance and impacts of organizations.
[2] The exclusion only concerns Magneti Marelli discontinued operations; selected minor activities have remained in scope and data related to these have been included throughout the Sustainability Report within "Plastic Components", a portion of "Other Activities".

In some cases, entities that are not consolidated in the financial statements were included in the scope of reporting because of their significant environmental and social impacts. In particular:

- Data on occupational health and safety relates to 96 of the 102 plants[3] (covering approximately 99% of plant workers),[4] to office facilities (in total covering approximately 100% of Group employees), and to four plants of companies that are not fully consolidated, including one joint venture in Turkey and three in China.
- Data on manufacturing environmental and energy performance refers to 96 of the 102 plants[5] (covering nearly 100% of the Group's industrial revenues),[6] and to four plants of companies that are not fully consolidated, including one joint venture in Turkey and three in China.

Data reported as a measure of FCA's impact on the environment consists of both absolute values, directly correlated to production volumes and reporting boundaries, and normalized values. Normalized environmental performance indicators are presented in order to ensure data comparability from year to year and enable operational trends to be evaluated. Due to the significant variation in types of production lines (vehicles, engines, etc.), it is not possible to present normalized data at the Group level. Normalized data presented in the "Production" section for energy, air emissions, water and waste refers to the mass-market vehicle assembly and stamping facilities, which account for more than half of the Group's environmental footprint.

The year 2010 is used as the baseline to measure progress to FCA's environmental targets because 2010 was the first year FCA US was included in the scope of the Group.

Data was collected and reported with the aid of existing management control and information systems, where available, in order to ensure reliability of information flows and the correct monitoring of sustainability performance. A dedicated reporting process was established for certain indicators, using electronic databases or files populated directly by the individuals or entities responsible for each aspect worldwide.

Unless otherwise indicated, all data presented in the Report refers to the International System of Units and may be subject to rounding. In some cases, rounding of a very low number may result in a report of zero.

Quality of Information

The quality of the information contained in the Sustainability Report is supported by compliance with the following principles:

- stakeholder inclusiveness
- sustainability context
- materiality
- completeness
- accuracy: provision of adequate levels of detail
- balance
- clarity
- comparability
- reliability
- timeliness

Preparation of the Sustainability Report is part of an annual reporting process subject to audit, analysis and approval by a number of individuals and entities. FCA continues to use our best efforts to ensure the accuracy of the sustainability information contained in this Report. Any forward-looking statements or other information contained in this document speak only as of the date of this document and the Company disclaims any obligation to update or revise publicly forward-looking statements or other information.

The document is:

- prepared by the FCA Sustainability Team that coordinates and engages Group operating segments and regions and relevant functions
- approved by the Sustainability Disclosure Committee and presented to the Group Executive Council, a group led by the CEO and composed of senior leadership from regional operations, brands, industrial processes, and support/corporate functions
- presented to the Governance and Sustainability Committee, a subcommittee of the Board of Directors of FCA NV, in the form of a management summary of principal achievements and future plans
- subject to a limited assurance engagement by an external independent audit firm (i.e. Deloitte & Touche S.p.A.) in accordance with the criteria established in the "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board for limited assurance engagements. The statement of limited assurance describing the activities carried out and the expression of opinion is provided at pages 139-140.
- presented together with the Annual Report at the Annual General Meeting of FCA NV to provide a complete, current overview of the Group's financial, environmental and social performance
- available for download at no cost from the Sustainability section of the Group's public website (www.fcagroup.com).

[3] Data was not considered material, and was thus not reported, for 6 plants in start-up or closing phase.
[4] Plant workers are defined as all employees located at a particular site, including workers assigned to manufacturing, other associated units (quality control, logistics, etc.) and to research and development.
[5] Data was not considered material, and was thus not reported, for 6 plants in start-up or closing phase.
[6] Revenues attributable to activity of plants directly controlled by the Group.

ABOUT THIS REPORT

Reporting period
Financial year 2018 (January 1, 2018 to December 31, 2018)

Reporting cycle
Annual

Date of publication
April, 2019

Document formats
PDF

Report scope and boundary
The information and data relate to FCA companies worldwide falling within the scope of consolidation at December 31, 2018.

Financial figures reflect those reported in the 2018 FCA NV Annual Report.

Report content
The selection of topics for this Report is based on the results of our Corporate priorities, the dialogue with stakeholders, the Global Reporting Initiative Standards requirements and other sustainability ratings and rankings. This Report includes material aspects as well as topics which are not material, but which may be of interest to selected stakeholders. Additional environmental, social and governance indicators are reported in the Facts & Figures section.

Global Reporting Initiative (GRI)
This report has been prepared in accordance with the GRI Standards: Comprehensive option.

See page 141 for the full set of indicators.

Assurance
The Report has been submitted to assurance by an external independent audit firm, Deloitte & Touche S.p.A., in accordance with the criteria established in the International Standard on Assurance Engagement 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standards Board for limited assurance engagements.

Deloitte & Touche S.p.A. is officially authorized to conduct ISAE 3000 assurance audits. The statement of assurance describing the activities carried out and the expression of opinion is provided at pages 139-140.

Previous report
The 2017 Sustainability Report was made available at FCA NV's Annual General Meeting on April 14, 2018.

Contact
Fiat Chrysler Automobiles N.V.
Registered Office: Amsterdam, The Netherlands
Amsterdam Chamber of Commerce: 60372958
Corporate Office: 25 St James's Street, London SW1A 1HA U.K

Your opinion is important to us. Please contact the Sustainability Team with any questions or suggestions.

sustainability@fcagroup.com
sustainability-emea@fcagroup.com
sustainability-nafta@fcagroup.com
sustainability-latam@fcagroup.com
sustainability-apac@fcagroup.com

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. These statements may include terms 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. Forward-looking statements are not guarantees of future performance.

Rather, they are based on the Group’s current state of knowledge, future expectations and projections about future events and are by their nature, subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in forward-looking statements as a result of a variety of factors, including: the Group’s ability to launch new 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; the Group’s ability to expand certain of the Group’s brands globally; the Group’s ability to offer innovative, attractive products; the Group’s ability to develop, manufacture and sell vehicles with advanced features including enhanced electrification, connectivity and autonomous driving characteristics; various types of claims, lawsuits, governmental investigations and other contingencies affecting the Group, 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; exposure to shortfalls in the funding of the Group’s defined benefit pension plans; the Group’s ability to provide or arrange for access to adequate financing for the Group’s 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; the Group’s ability to access funding to execute the Group’s business plan and improve the Group’s business, financial condition and results of operations; a significant malfunction, disruption or security breach compromising the Group’s information technology systems or the electronic control systems contained in the Group’s vehicles; the Group’s ability to realize anticipated benefits from joint venture arrangements; the Group’s ability to successfully implement and execute strategic initiatives and transactions, including the Group’s 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 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 risks and uncertainties. Any forward-looking statements contained in this document speak only as of the date of this document and the Company disclaims any obligation to update or revise publicly forward-looking statements. Further information concerning the Group and its businesses, including factors that could materially affect the Company’s financial results, is included in the Company’s reports and filings with the U.S. Securities and Exchange Commission, the AFM and CONSOB.

INDEPENDENT AUDITOR'S REPORT

This Sustainability Report has been submitted to assurance by an external independent audit firm, Deloitte & Touche S.p.A. The scope, methodology, limitations and conclusions of the assurance engagement are provided in the following Independent Auditor's Report.

Deloitte.

Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Governance and Sustainability Committee of Fiat Chrysler Automobiles N.V.

We have carried out a limited assurance engagement on the Sustainability Report of Fiat Chrysler Automobiles (hereinafter "FCA" or the "Group") as of December 31, 2018.

Sustainability organization's responsibility on the preparation of the Sustainability Report

Group Sustainability organization is responsible for the preparation of the Sustainability Report in accordance with "Global Reporting Initiative Sustainability Reporting Standards" established in 2016 by GRI – Global Reporting Initiative ("GRI Standards"), as stated in the paragraphs "About this Report" and "Definitions, Methodology and Scope" of the Sustainability Report. The Sustainability organization is supported by several entities within the organization including the Sustainability Disclosure Committee - that reviews and approves the Sustainability Report disclosure -, the Group Executive Council and the Board Governance and Sustainability Committee that is also responsible for, among other things, assisting and advising the Board of Directors with monitoring and evaluating reports on the Group's sustainable development policies and practices, management standards, strategy, performance and governance globally, and reviewing, assessing and making recommendations as to strategic guidelines for sustainability related issues, and reviewing main results reported in the annual Sustainability Report. The Group Sustainability organization also supports the definition of FCA's objectives regarding sustainability performance and reporting of the achieved results, the identification of the stakeholders and the significant aspects to report.

Auditors' independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our auditing firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to issue this report based on the procedures performed. We conducted our work in accordance with the criteria established in the *"International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

The procedures performed on the Sustainability Report included inquiries, primarily with company personnel responsible for the preparation of the Sustainability Report, analysis of documents, recalculations and other evidence gathering procedures as appropriate.

Deloitte.

These procedures consisted in verifying its compliance with the principles for defining report content and quality set out in the "GRI Standards", and are summarised as follows:

- comparing the economic and financial information and data included in the Sustainability Report with those included in the Group Consolidated Financial Statements as of December 31, 2018, on which another auditor issued the independent auditor's report, dated February 22, 2019;
- analysing, through interviews, the governance system and the management process of the matters related to sustainability management and its relationship with the strategy and operations of the Group;
- analysing the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- analysing how the processes underlying the generation, collection and management of quantitative data of the Sustainability Report operate. In particular, we have performed:
  - interviews and discussions with the personnel and the management of FCA Group among the four operating regions and components segment to gather information about the accounting and reporting systems used in preparing the Sustainability Report, as well as on the processes and procedures supporting the gathering, aggregation, processing and transmittal of data and information to the department responsible for the preparation of the Sustainability Report;
  - analysis, on a sample basis, of the documentation supporting the preparation of the Sustainability Report, in order to gather the evidence of processes in place, their adequacy, and that they correctly manage data and information in connection with the objectives described in the Sustainability Report;
- analysing the compliance and the internal consistency of the qualitative information disclosed in the Sustainability Report in relation to the guidelines identified in the paragraph "Sustainability organization's responsibility on the preparation of the Sustainability Report" of this report;
- analysing the stakeholders engagement process, in terms of methods applied, through the analysis of the minutes of the meetings or any other available documentation about the main topics arisen in the discussion with them;
- obtaining the representation letter signed by the legal representative of FCA Sepin S.c.p.A., on the compliance of the Sustainability Report with the guidelines identified in the paragraph "Sustainability organization's responsibility on the preparation of the Sustainability Report" of this report, as well as the reliability and completeness of the data and information disclosed.

The procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the FCA Group as of December 31, 2018 is not prepared, in all material aspects, in accordance with the "GRI Standards", as stated in the paragraphs "About this Report" and "Definitions, Methodology and Scope" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

Franco Amelio
Partner

Milan, Italy
April 9, 2019

GRI STANDARDS CONTENT INDEX

This Report has been prepared in accordance with the GRI Standards: Comprehensive option.

The following table lists content within the document that relates to specific GRI Standards indicators. Each indicator references the appropriate pages in the 2018 Sustainability Report or the 2018 FCA NV Annual Report.

Page numbers also work as a direct link to the related content in this Report or in another source.

Key:

AR = Annual Report at December 31, 2018

SR = Sustainability Report at December 31, 2018

GENERAL STANDARD DISCLOSURES

GRI Standard	Title	Publications	Page number	Omissions and comments
Organizational profile				
102-1	Name of the organization	AR SR	2 7, 135-137	
102-2	Activities, brands, products, and services	SR	7-8	
102-3	Location of headquarters	AR SR	2, 96 137	
102-4	Location of operations	AR SR	198 109	
102-5	Ownership and legal form	AR	18-20	
102-6	Markets served	AR SR	21, 29-35 7	
102-7	Scale of the organization	AR SR	16-17 7-10	
102-8	Information on employees and other workers	SR	108-109	
102-9	Supply chain	SR	9, 94-95, 131	
102-10	Significant changes to the organization and its supply chain	AR SR	18-19, 21 135	
102-11	Precautionary Principle or approach	SR	39, 41-43, 89-90	
102-12	External initiatives	SR	33	
102-13	Membership of associations	SR	16	
Strategy				
102-14	Statement from senior decision-maker	SR	3-5	
102-15	Key impacts, risks, and opportunities	AR SR	77-80 7-10, 39-41	
Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	SR	33-34	
102-17	Mechanisms for advice and concerns about ethics	SR	34-35, 37	
Governance				
102-18	Governance structure	AR SR	96-130 32-33	
102-19	Delegating Authority	AR SR	144 32-33	
102-20	Executive-level responsibility for economic, environmental and social topics	SR	32-33	

GRI Standard	Title	Publications	Page number	Omissions and comments
Governance				
102-21	Consulting stakeholders on economic, environmental and social topics	AR SR	144 14-16, 33	
102-22	Composition of the highest governance bodies and its committees	AR SR	96-105 32-33	
102-23	Chair of the highest governance body	AR SR	96-97 32-33	
102-24	Nominating and selecting the highest governance body	AR SR	96-97, 102-103, 105, 125 32-33	
102-25	Conflicts of interest	AR SR	105-106 37	
102-26	Role of the highest governance body in setting purpose, values and strategy	AR SR	105 32-33	
102-27	Collective knowledge of highest governance body	AR SR	144 32-33	
102-28	Evaluating the highest governance body's performance	AR SR	105 32-33	Confidentiality constraint for 102-28 d.: this information cannot be communicated externally.
102-29	Identifying and managing economic, environmental and social impacts	AR SR	77-80, 144 33	
102-30	Effectiveness of risk management	AR SR	77-80 38-43	
102-31	Review of economic, environmental, and social topics	AR SR	77-80, 144 33, 39-40, 136	
102-32	Highest governance body's role in sustainability reporting	AR SR	144 33, 136	
102-33	Communicating critical concerns	AR SR	77-80, 104, 124, 144 33-35, 136	
102-34	Nature and total number of critical concerns	AR SR	124 39-40	
102-35	Remuneration polices	AR	132-143	
102-36	Process for determining remuneration	AR	132-143	
102-37	Stakeholders' involvement in remuneration	AR	132	
102-38	Annual compensation ratio	-	-	Confidentiality constraint for 102-38: in some countries of presence this information is subject to confidential treatment.
102-39	Percentage increase in annual total compensation ratio	-	-	Confidentiality constraint for 102-39: in some countries of presence this information is subject to confidential treatment.
Stakeholder engagement				
102-40	List of stakeholder groups	SR	14-16	
102-41	Collective bargaining agreements	SR	54-55	
102-42	Identifying and selecting stakeholders	SR	12-16	
102-43	Approach to stakeholder engagement	SR	12-16	
102-44	Key topics and concerns raised	SR	12-16	Key topics and concerns raised through stakeholder engagement activities (i.e. stakeholder surveys and live or face-to-face events) are those considered within the Materiality Matrix. Information on how FCA has responded to the key topics and concerns are included within the relevant chapters of this Report. For more details concerning the stakeholder groups that took part in the stakeholder engagement activities, please refer to the "Materiality and Stakeholder Engagement" chapter.

GRI Standard	Title	Publications	Page number	Omissions and comments
Reporting Practice				
102-45	Entities included in the consolidated financial statements	AR	198	
102-46	Defining report content and topic Boundaries	SR	7-10	Each material topic involves the full scope of the FCA organization. For a detailed description of impacts, whether the organization has caused or contributed to them, or is directly linked through its business relationships, please refer to the related section of the Sustainability Report, or to the chapter "Business Model and Value Chain."
102-47	List of material topics	SR	12	
102-48	Restatements of information	SR	135	
102-49	Changes in reporting	AR SR	147 12	
102-50	Reporting period	SR	137	
102-51	Date of most recent previous report	SR	137	
102-52	Reporting cycle	SR	137	
102-53	Contact point for questions regarding the report	SR	137	
102-54	Claims of reporting in accordance with the GRI Standards	SR	141	
102-55	GRI content index	SR	141-148	
102-56	External assurance	SR	137, 139-140	

TOPIC-SPECIFIC DISCLOSURES

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-204: Procurement Practices (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 94-95	
103-2	The management approach and its components	SR	29, 34, 94-101	
103-3	Evaluation of the management approach	SR	94-101	
204-1	Proportion of spending on local suppliers	SR	95, 131	
GRI-205: Anti-Corruption (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 37	
103-2	The management approach and its components	SR	34-35, 37	
103-3	Evaluation of the management approach	SR	34-35, 37	
205-1	Operations assessed for risks related to corruption	SR	35	
205-2	Communication and training about anti-corruption policies and procedures	SR	33-34, 37, 111	Confidentiality constraint for 205-2 d.: this information cannot be communicated externally.
205-3	Confirmed incidents of corruption and actions taken	SR	37	Confidentiality constraint for 205-3 a. b. d.: this information cannot be communicated externally.
GRI-206: Anti-Competitive Behavior (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 37	
103-2	The management approach and its components	SR	34-35, 37	
103-3	Evaluation of the management approach	SR	34-35, 37	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	SR	37	
GRI-301: Materials (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 77-80	
103-2	The management approach and its components	SR	25, 34, 77-80	
103-3	Evaluation of the management approach	SR	25, 77-80	

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-301: Materials (2016)				
301-1	Materials used by weight or volume	SR	116	The renewable and nonrenewable percentage refers to the average weight of materials within the 2018 existing range of type-approved vehicles in Europe. The global absolute value cannot be communicated externally.
301-2	Recycled input materials used	SR	79	Information provided is limited to Europe and refers only to selected aluminum and plastic circular economy applications.
301-3	Reclaimed products and their packaging materials	-	-	For information related to reclaimed products please refer to the "Remanufactured Parts" section. Information is not applicable for 301-3 for reclaimed packaging, as vehicles are delivered to the end customer without packaging.
GRI-302: Energy (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 89-91, 135-136	
103-2	The management approach and its components	SR	28, 34, 71-75, 89-90	
103-3	Evaluation of the management approach	SR	71-75, 89-90	
302-1	Energy consumption within the organization	SR	118-120	
302-2	Energy consumption outside of the organization	-	-	Information unavailable for 302-2. The necessary information cannot be obtained because the information is not directly controlled by FCA. See CO_2 emissions reported in the "Logistics" section for estimated environmental impact outside of the organization.
302-3	Energy intensity	SR	91, 121	
302-4	Reduction of energy consumption	SR	91	
302-5	Reductions in energy requirements of products and services	SR	71-75	
GRI-303: Water (2018)				
103-1	Explanation of the material topic and its Boundary	SR	12, 92, 135-136	
103-2	The management approach and its components	SR	28, 34, 89-90, 92	
103-3	Evaluation of the management approach	SR	89-90, 92	
303-1	Interactions with water as a shared resource	AR SR	150 92, 98	
303-2	Management of water discharge-related impacts	SR	92	
303-3	Water withdrawal	AR SR	150 92, 125	
303-4	Water discharge	AR SR	150 92, 125	
303-5	Water consumption	AR SR	150 92	
GRI-304: Biodiversity (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 130, 135-136	
103-2	The management approach and its components	SR	28, 34, 89-90	
103-3	Evaluation of the management approach	SR	89-90	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR	130	
304-2	Significant impacts of activities, products, and services on biodiversity	SR	130	
304-3	Habitats protected or restored	SR	130	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	SR	130	

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-305: Emissions (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 71-75, 89-91, 135-136	
103-2	The management approach and its components	SR	23-24, 28, 34, 67-76, 89-91, 115	
103-3	Evaluation of the management approach	SR	71-75, 89-91	
305-1	Direct (Scope 1) GHG emissions	SR	91-92, 121	
305-2	Energy indirect (Scope 2) GHG emissions	SR	91-92, 121	
305-3	Other indirect (Scope 3) GHG emissions	SR	134	
305-4	GHG emissions intensity	SR	91-92, 122	
305-5	Reduction of GHG emissions	SR	91	
305-6	Emissions of ozone-depleting substances (ODS)	SR	123	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	SR	124	
GRI-306: Effluents and Waste (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 92-93, 135-136	
103-2	The management approach and its components	SR	28, 34, 89-90, 92-93	
103-3	Evaluation of the management approach	SR	89-90, 92-93	
306-1	Water discharge by quality and destination	SR	92, 125	
306-2	Waste by type and disposal method	SR	93, 127	
306-3	Significant spills	SR	92	
306-4	Transport of hazardous waste	SR	127	
306-5	Water bodies affected by water discharges and/or runoff	SR	126	
GRI-307: Environmental Compliance (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 36-37	
103-2	The management approach and its components	SR	23-24, 28, 34, 36-37, 69-80, 90-93	
103-3	Evaluation of the management approach	SR	34-35, 69-80, 90-93	
307-1	Non-compliance with environmental laws and regulations	SR	37	
GRI-308: Supplier Environmental Assessment (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 94-99	
103-2	The management approach and its components	SR	29, 34, 94-99	
103-3	Evaluation of the management approach	SR	94-99	
308-1	New suppliers that were screened using environmental criteria	SR	97	
308-2	Negative environmental impacts in the supply chain and actions taken	SR	97-99, 133	
GRI-401: Employment (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 45-56	
103-2	The management approach and its components	SR	20, 31-37, 45-56	
103-3	Evaluation of the management approach	SR	18-20, 31-37, 45-56	
401-1	New employee hires and employee turnover	SR	112	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR	50-51	
401-3	Parental leave	SR	50, 110	Confidentiality constraint for 401-3 c. e.: this information cannot be communicated externally.

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-402: Labor-Management Relations (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 54-56	
103-2	The management approach and its components	SR	37, 54-56	
103-3	Evaluation of the management approach	SR	12, 31-37, 54-56	
402-1	Minimum notice periods regarding operational changes	SR	56	
GRI-403: Occupational Health and Safety (2018)				
103-1	Explanation of the material topic and its Boundary	SR	12, 51-53, 135-136	
103-2	The management approach and its components	SR	21, 34, 51-53	
103-3	Evaluation of the management approach	SR	51-54	
403-1	Occupational health and safety management system	SR	21, 51-52	
403-2	Hazard identification, risk assessment, and incident investigation	SR	51-52	
403-3	Occupational health service	SR	51-52	
403-4	Worker participation, consultation, and communication on occupational health and safety	SR	49, 51	
403-5	Worker training on occupational health and safety	SR	51-52, 111	
403-6	Promotion of worker health	SR	21, 51-53	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR	51-52	
403-8	Workers covered by an occupational health and safety management system	SR	21, 51-52, 118	
403-9	Work-related injuries	SR	21, 51-52, 113	Information unavailable at the global level for 403-9 b. FCA will consider the possibility of analyzing the materiality of this data for workers who are not Group employees. Confidentiality constraint for 403-9 c.: this information cannot be communicated externally.
403-10	Work-related ill health	SR	51-52, 113	Information unavailable at the global level for 403-10 b. FCA will consider the possibility of analyzing the materiality of this data for workers who are not Group employees. Confidentiality constraint for 403-10 c.: this information cannot be communicated externally.
GRI-404: Training and Education (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 47-49	
103-2	The management approach and its components	SR	20, 34, 47-49, 85	
103-3	Evaluation of the management approach	SR	12, 20, 34, 47-49, 85	
404-1	Average hours of training per year per employee	SR	111	
404-2	Programs for upgrading employee skills and transition assistance programs	SR	47-49, 85, 111	
404-3	Percentage of employees receiving regular performance and career development reviews	SR	48, 107	
GRI-405: Diversity and Equal Opportunity (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 37, 47-50	
103-2	The management approach and its components	SR	20, 37, 47-50	
103-3	Evaluation of the management approach	SR	12, 20, 37, 47-50	
405-1	Diversity of governance bodies and employees	AR SR	102, 125 107-109	
405-2	Ratio of basic salary and remuneration of women to men	SR	110	Confidentiality constraint for 405-2: in some countries of presence this information is subject to confidential treatment.

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-406: Non Discrimination (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 33-35, 47	
103-2	The management approach and its components	SR	20, 34-36, 47, 101	
103-3	Evaluation of the management approach	SR	34-36, 47, 101	
406-1	Incidents of discrimination and corrective actions taken	SR	34-35	Confidentiality constraint for 406-1 a.: this information cannot be communicated externally.
GRI-407: Freedom of Association and Collective Bargaining (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 37, 54-56	
103-2	The management approach and its components	SR	37, 54-56	
103-3	Evaluation of the management approach	SR	20, 37, 54-56	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR	54-56	
GRI-408: Child Labor (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 35-36, 99-100	
103-2	The management approach and its components	SR	18, 29, 34-36, 99-100	
103-3	Evaluation of the management approach	SR	34-36, 99-100	
408-1	Operations and suppliers at significant risk for incidents of child labor	SR	35-36, 99-100	
GRI-409: Forced or Compulsory Labor (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 35-36, 99-100	
103-2	The management approach and its components	SR	18, 29, 34-36, 99-100	
103-3	Evaluation of the management approach	SR	34-36, 99-100	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR	35-36, 99-100	
GRI-412: Human Rights Assessment (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 35-36	
103-2	The management approach and its components	SR	18, 34-36	
103-3	Evaluation of the management approach	SR	34-36	
412-1	Operations that have been subject to human rights reviews or impact assessments	SR	35-36	
412-2	Employee training on human rights policies or procedures	SR	34, 111	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	SR	97-99	
GRI-413: Local Communities (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 57-61	
103-2	The management approach and its components	SR	22, 34, 57-61	
103-3	Evaluation of the management approach	SR	22, 57-61	
413-1	Operations with local community engagement, impact assessments, and development programs	SR	57-61	
413-2	Operations with significant actual and potential negative impacts on local communities	SR	37	
GRI-414: Supplier Social Assessment (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 94-100	
103-2	The management approach and its components	SR	29, 34, 94-100	
103-3	Evaluation of the management approach	SR	29, 94-100	
414-1	New suppliers that were screened using social criteria	SR	97	
414-2	Negative social impacts in the supply chain and actions taken	SR	94-100, 133	

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-415: Public Policy (2016)				
103-1	Explanation of the material topic and its Boundary	SR	37	
103-2	The management approach and its components	SR	34-35, 37	
103-3	Evaluation of the management approach	SR	37	
415-1	Political contributions	SR	37	
GRI-416: Customer Health and Safety (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 81-83	
103-2	The management approach and its components	SR	26, 34, 81-83	
103-3	Evaluation of the management approach	SR	26, 81-83	
416-1	Assessment of the health and safety impacts of product and service categories	SR	81-83	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR	83-84	
GRI-417: Marketing and Labeling (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 33-34	
103-2	The management approach and its components	SR	20, 33-34, 37	
103-3	Evaluation of the management approach	SR	20, 33-34	
417-1	Requirements for product and service information and labeling	SR	36-37, 80, 86	
417-2	Incidents of non-compliance concerning product and service information and labeling	SR	37	
417-3	Incidents of non-compliance concerning marketing communications	SR	37	
GRI-418: Customer Privacy (2016)				
103-1	Explanation of the material topic and its Boundary	SR	12, 35-36	
103-2	The management approach and its components	SR	34-36	
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