2020 SUSTAINABILITY REPORT

FCA N.V. SCOPE

STELLANTIS

Contents

Message from the Chairman and the CEO

Some years are so eventful that we know as we live through them that they will go down in the history books, and 2020 will undoubtedly join that list.

It was more challenging than anybody could ever have imagined, proving that even when we believe we've thought of and planned for everything, we must always be ready for the totally unexpected and that nothing should surprise us.

As the pandemic spread across the world, it changed our lives, impacted our relationships and upset the sense of normality we often took for granted, taking its human, economic and emotional toll on our societies as it went. But 2020 also reminded us that times of crisis reveal the true character of an organization and its people.

Not only did FCA move quickly to safeguard the health and welfare of its people and the societies where they live, it supported our customers and dealers, and protected the financial health of the business. It also stepped in to help our local communities and provide support to first responders and healthcare workers across the globe.

The commitment and solidarity FCA's people have shown when providing much needed assistance around the world – building two fully equipped field hospitals in Brazil and one in Argentina; making and repairing ventilators; producing face masks and face shields, with a daily production of some 23 million masks in Italy; providing vehicles and ambulances to first responders; and donating over 15 million meals to school-age children to help end childhood hunger in the United States – is a true testament to their extraordinary spirit, courage and perseverance.

While the pages of this year's Report do not yet represent the consolidated results and accomplishments of Stellantis N.V., which began life at the beginning of 2021, they provide the current perspective of a company that entered into this new venture with a sustainable track record of execution and delivery and solid financial foundations.

FCA closed 2020 with strong full year results, despite the impact of COVID-19, with Adjusted EBIT of €3.7 billion and a 4.3% Adjusted EBIT margin.

As lockdown restrictions have been gradually, if unevenly, eased across the world, and the business environment has begun to show improvement in the second half of the year, FCA delivered two consecutive record quarters, which are an eloquent reflection of its operating potential in a more normalized environment. The strong close to the year, with the truly outstanding performance achieved during the second half, not only demonstrates the resilience of FCA's business model, but it is also the best way to fully comprehend FCA's capabilities, employees' commitment, strength and solid foundations as it transitioned into Stellantis in mid-January.

The fact that FCA entered this new and exciting era in such robust shape is a great tribute to Mike Manley and his leadership. We want to thank him for guiding FCA, in particular during such a challenging year, protecting its employees and supporting the community at large, and always ensuring that the company performed to the highest standards. And we are very happy that he will continue to play a fundamental role in the future of Stellantis.

Groupe PSA successfully navigated the same challenging year.

Even if its 2020 consolidated results are not included in the pages of this Report, Groupe PSA achieved a remarkable performance: its focus on execution and agility allowed it to weather this tough year, and maintain a high level of profitability in its Automotive business, with a strong Net Financial Position.

Based on both founding companies' track records of performance and competitive spirit, the creation of Stellantis marked a new chapter powered by the combination of two automakers each contributing a rich heritage, iconic brands, and talented people.

Stellantis represents one of the world's leading automakers, but more importantly it is a company with the scale, the resources, the diversity and the know-how to successfully capture the opportunities of the new era ahead of us.

We will leverage the benefits of Stellantis and our unmatched competitive advantages to provide our customers with clean, safe and affordable mobility, while offering distinctive, convenient and innovative vehicles and services.

We also believe that long-term success is achieved by linking economic growth with environmental stewardship and financial performance with social responsibility.

As a global company, we will always strive to ensure that our ESG focus is embedded into our strategy and that our growth ambitions are compatible with sustainable development practices, conscientiously seeking the right balance in every choice we make as we provide sustainable and affordable mobility.

This approach also involves our commitment to supporting the fight against climate change and contributing to a decarbonized economy by engaging our talents and assets on the path to carbon neutrality across our products and footprint.

Diversity and inclusion are an intrinsic part of our company's fabric, and we intend to make them distinctive strengths of Stellantis, relying on the talent of our more than 400,000 people around the world and the shared values that drive us in this new journey.

We would like to recognize and thank everyone in the Stellantis organization for their perseverance and continuing contributions after such a challenging and pivotal year. Their relentless hard work and resilience will be crucial to our future success.

And we would also like to thank all of our shareholders and stakeholders for standing with us during this most difficult time and for your continued trust, support, and engagement as we now move forward together as Stellantis into the next chapter of our extraordinary adventure.

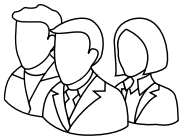
March 4, 2021

/s/
John Elkann
Chairman

/s/
Carlos Tavares
Chief Executive Officer

2020 Sustainability Highlights

189,500+ employees



Customers in more than **130** countries

~€37.8 million committed to benefit local communities

Ranked for the third consecutive year in the **Refinitiv Diversity & Inclusion Index** in the global "Top 100 Most Diverse & Inclusive Companies"

Operations in **40** countries

75% of FCA's Brazilian plants are **Carbon Neutral**

€3.9 Billion in **Research** and **Development**

Launched the
New Fiat 500,
FCA's first
"born electric" car

6 models achieved
NCAP 5-star ratings

★★★★★

Signed **agreement**
with **ENGIE EPS** to create
a JV in the e-Mobility sector to
offer a full suite of innovative
services and solutions

Launched the first phase
of the world's largest
Vehicle-to-Grid
pilot project
in Turin, Italy

100% of plants
ISO 14001
certified

Strengthened the
Responsible
Sourcing
program to gain
greater transparency
in the supply chain

Launched **7** models offering
electric powertrains
options

Business Model and Governance

Business Model and Value Chain

Fiat Chrysler Automobiles was a global automotive group engaged in designing, engineering, manufacturing, distributing and selling vehicles, components and production systems worldwide through more than 100 manufacturing facilities and more than 40 research and development centers. The Group's automotive brands were: 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 operated in the components and production systems sectors under the Teksid and Comau brands. The Group also provided retail and dealer financing, leasing and rental services through our subsidiaries, joint ventures and commercial arrangements with third party financial institutions.

FCA had operations in 40 countries, customers in more than 130 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 impacted a large number and wide variety of stakeholders. We aimed to create value through our relationships and connections with customers, employees, dealers, suppliers and communities, among others. We recognized that our environmental and social activities affect not only our aspiration to grow the business but also our commitment to the environment and the communities where we operate.

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

THE SPIRIT OF STELLANTIS

In December 2019, Fiat Chrysler Automobiles N.V. and Peugeot S.A. signed a binding Combination Agreement providing for a 50/50 merger of their businesses. During 2020 both companies agreed to amend certain terms of their binding Combination Agreement to create Stellantis, whose Latin root "stello" means "to brighten with stars". With a proud heritage stretching back 125 years, Stellantis is home to a full portfolio of storied brands that have graced the road and conquered the podium in the world of motorsport. Founded by visionaries who infused these marques with passion and a competitive spirit, the brands cover the full spectrum of market segments from luxury, premium and mainstream passenger vehicles to hard-charging pickup trucks, SUVs and light commercial vehicles, as well as dedicated mobility, finance and parts and service brands. With industrial operations in nearly 30 countries, the Company has the ability to efficiently meet and exceed consumer expectations and deliver vehicles and services of unparalleled quality in more than 130 markets.

Peugeot S.A. and Fiat Chrysler Automobiles N.V. Shareholders' Meetings approved their merger transaction to create Stellantis on January 4, 2021. The shareholders also approved merger related matters, including adoption of the Stellantis' Articles of Association and appointment of the previously announced members of the Board of Directors of Stellantis. Following the approval by shareholders and receipt of the final regulatory clearances, FCA and Groupe PSA completed the combination on January 16, 2021. Stellantis' common shares began trading on the Mercato Telematico Azionario in Milan and Euronext in Paris on Monday, January 18, 2021, and on the New York Stock Exchange on Tuesday, January 19, 2021.

Read more >

Central to FCA's approach was the belief that effective, lasting solutions to climate change and other pressing environmental and social issues could only be achieved through an integrated approach that combines individual and collective commitment; an effective multi-stakeholder strategy; investment in enabling processes and technologies; and the incorporation of circular economy principles in operations. All of these elements were an integral part of FCA's model of operating responsibly.

Our efforts to achieve progress toward our sustainability objectives reflected our commitment to create long-term value responsibly.

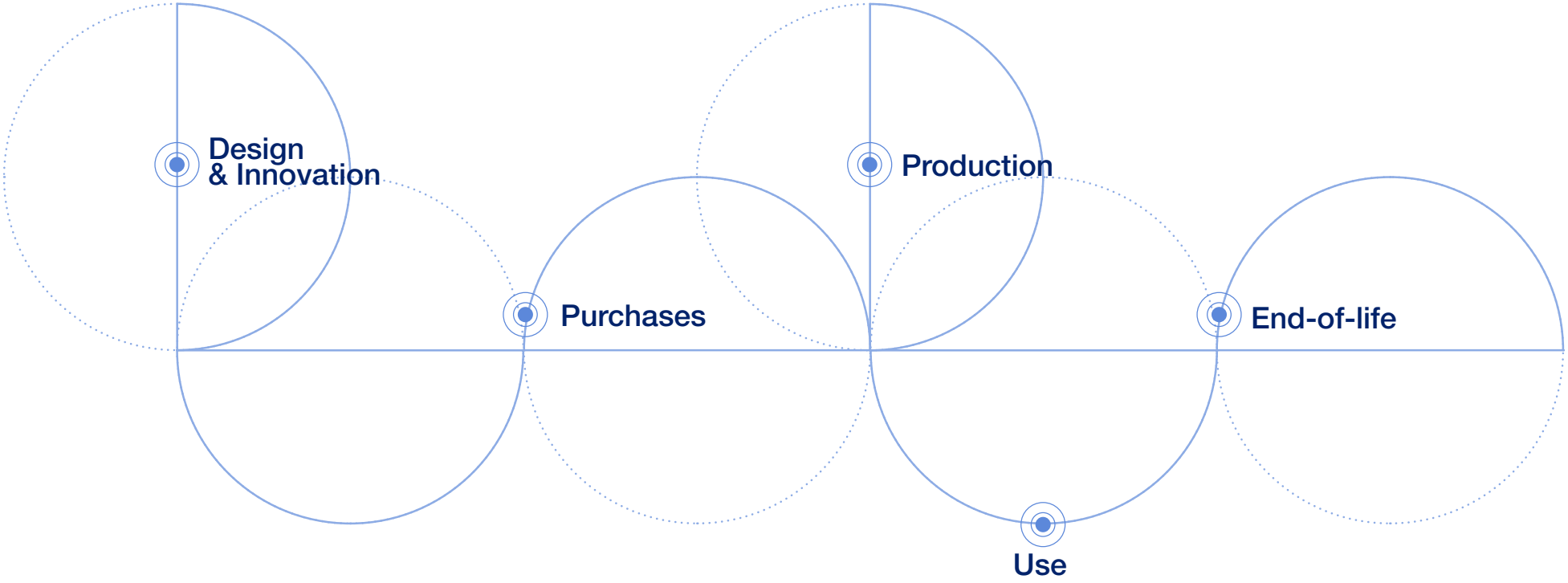
To accomplish these objectives, the Group focused on:

- 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.

Across our value chain, FCA impacted 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 for Sustainable Development. We operated 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. It illustrates how inputs were converted through the Group's business activities, bringing value to the Company, to our customers, to society and to the environment.

Quantitative information in this section relates to year ended December 31, 2020.



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. **€3.9 Billion**
in research and development

VALUE GENERATED AND SHARED

6,082 patents and applications registered

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

KEY INPUT

~2,000 suppliers globally

5.9 Milion tons of total raw materials
which comprise semi-manufactured goods

VALUE GENERATED AND SHARED

~€60 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

189,512 employees working in more than 100 manufacturing facilities and more than 40 research centers worldwide, as well as other properties: parts distribution centers, proving grounds, warehouses and office buildings

36 Million GJ of energy consumed at Group plants worldwide

16 Million m³ of water consumed (withdrawal) at Group plants worldwide

VALUE GENERATED AND SHARED

€10.2 Billion in personnel costs as compensation for employee time and efforts

2.9 Million tons of CO_2 emissions at Group plants, a decrease of 16% vs 2019

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

0.6 Million tons of waste generated

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

KEY INPUT

€86.7 Billion in revenue

VALUE GENERATED AND SHARED

FCA grants access to mobility for millions of people around the world through **3.4 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 repairability, 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:

Materiality and Stakeholder Engagement

Monitoring of material issues is critical to identifying and understanding emerging risks. To improve the efficiency of our materiality analysis FCA combines inputs from stakeholders along with the Company business plan, key global risks, corporate values, industry trends, information of interest for investors, and societal standards and expectations. The materiality analysis is the key element that reinforces our continued engagement and dialogue with stakeholders, helping us better understand opportunities from generating environmental, economic and social value externally and for the Company itself.

KEY FCA FIGURES SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

19
MATERIAL TOPICS

3,000+
EXTERNAL STAKEHOLDERS ENGAGED

Materiality and Stakeholder Engagement

FCA's sustainability reporting focuses on those topics that have been determined to be material, 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, while integrating sustainability principles into the Company's daily activities.

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.

Since 2020 marks the end of our current set of long-term sustainability targets, the latest update of FCA's Materiality Diagram was undertaken in 2019. The areas confirmed during the latest assessment as relevant for internal and external stakeholders were also connected to the key risk factors identified by the risk management framework.

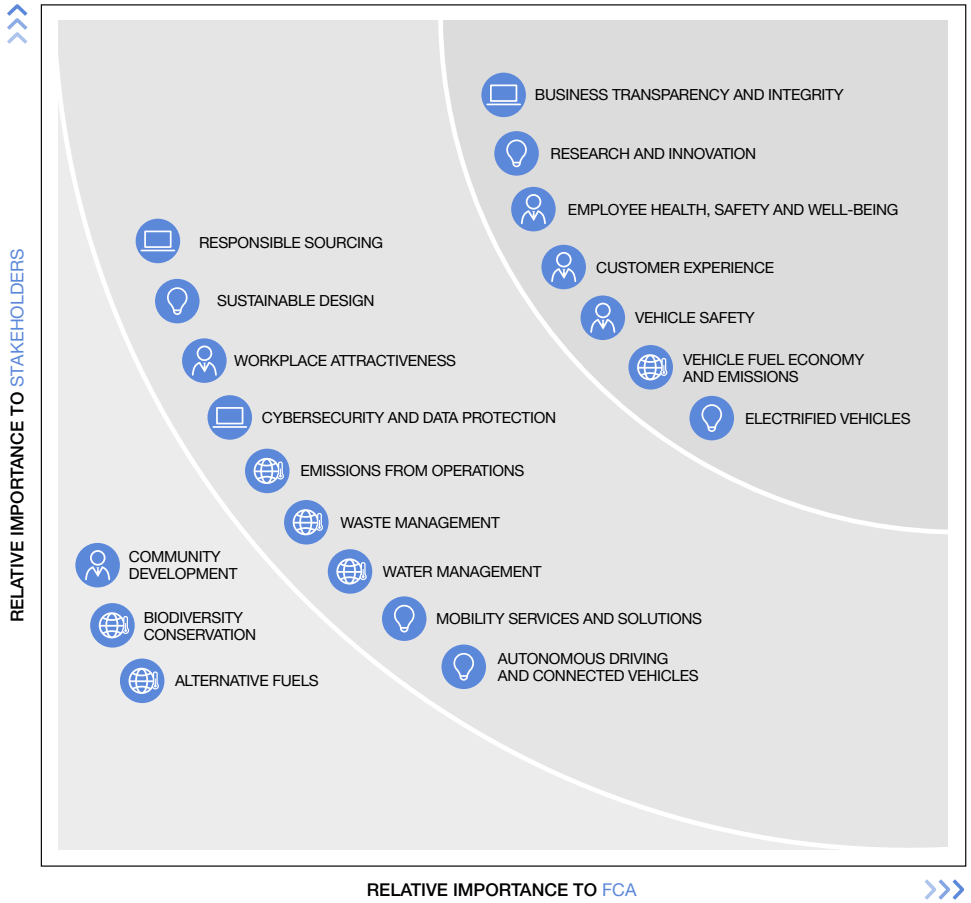
The materiality analysis uses the same boundaries within the organization as those described in the Definitions, Methodology and Scope section of this Report.

- BUSINESS OPERATIONS
- EMPLOYEES, CUSTOMERS AND SOCIETY
- ENVIRONMENTAL AND CLIMATE IMPACT
- TECHNOLOGY AND INNOVATION

FCA MATERIALITY DIAGRAM

All topics listed on the Materiality Diagram are important, with those found in the upper-right corner being of higher relative importance and impact to both FCA and our stakeholders. The most material topics reflect our focus in this report while other topics are covered in more detail through other channels.

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.

FCA's Material Sustainability Topics	1 NO POVERTY	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
BUSINESS OPERATIONS															
Business transparency and integrity				✓			✓	✓	✓		✓	✓		✓	✓
Responsible sourcing							✓	✓			✓				
Cybersecurity and data protection								✓						✓	✓
EMPLOYEES, CUSTOMERS AND SOCIETY															
Employee health, safety and well-being		✓								✓					
Customer experience			✓					✓	✓	✓					
Vehicle safety		✓						✓		✓					
Workplace attractiveness	✓		✓	✓			✓		✓					✓	
Community development	✓		✓	✓			✓		✓	✓					
ENVIRONMENTAL AND CLIMATE IMPACT															
Vehicle fuel economy and emissions								✓		✓	✓	✓			
Emissions from operations											✓	✓			
Waste management											✓				
Water management					✓						✓				
Biodiversity conservation											✓		✓		
Alternative fuels						✓				✓	✓	✓			
TECHNOLOGY AND INNOVATION															
Research and innovation						✓		✓		✓		✓			
Electrified vehicles						✓				✓		✓			
Sustainable design											✓				
Mobility services and solutions								✓		✓		✓			
Autonomous driving and connected vehicles								✓		✓					

ENGAGING STAKEHOLDERS

As a global enterprise with a complex, intricately connected value chain, gathering stakeholder input to determine materiality is an ongoing process. Whether affecting or affected by our decision-making processes and associated actions, stakeholders help us to better identify risks and opportunities, as well as align our objectives to social, technological and regulatory changes around the globe.

Our 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 conduct stakeholder engagement activities related to sustainability topics, and work to 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 events are analyzed to address differences and guide, globally, the review of potential updates in FCA's material sustainability topics.

Our stakeholder events reflect efforts to reach a broad spectrum of key stakeholders. To accomplish this, we typically work with representatives within FCA to identify which groups or individuals can most effectively help us explore and confirm the relevant and material topics we identified. The following are some examples of our 2020 engagement activities.

ENGAGING EMPLOYEES

FCA employees play a particularly vital role in our sustainability efforts and are the focus of several stakeholder engagement activities. 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 of improvement from them. During the year a variety of workshops and online discussions were held with employees.

REGIONAL SUSTAINABILITY NETWORKS

Regional Sustainability Teams work with selected employees to form networks that further strengthen internal expertise and coordinate joint initiatives. These sustainability networks exist in each region and provide a forum where employees and managers are able to discuss sustainability issues. The networks also support incorporating sustainability elements into the business strategy and daily activities while also supporting sustainability communication, planning and reporting.

With more employees working remotely across our regions due to COVID-19, we focused on more virtual dialog and digital communication solutions. As an example, we launched the ON BOARD employee newsletter, which features details on a specific sustainability topic in each edition; and Sustainability in the News, which is a digital clipping of articles on various sustainability issues from external sources. These new communication tools provided relevant content and resources to our networks across the regions.

SUSTAINABILITY TALKS

Our Sustainability Talks series, initially launched in LATAM and then expanded to the other regions, offered employees the ability to participate in online discussions with external guest speakers. These virtual events featured sustainability-related topics from the perspective of another company or sustainability leader. Our employees not only gained a broader perspective but were also able to engage in the discussion.

ENGAGING THE SUPPLY CHAIN

Because suppliers represent such an essential element in FCA's value chain, we engage extensively with them on several sustainability topics.

During 2020, we moved to a new sustainability-focused assessment to strengthen the process of evaluating suppliers' sustainability profiles. For the first time, suppliers were asked to submit information and evidence through the Sustainability Assessment Questionnaire, developed by Drive Sustainability and hosted by a third-party service provider. Drive Sustainability is the OEM partnership whose mission is to work together to improve the social, ethical and environmental performance of automotive supply chains. The results of the new sustainability assessment, along with other criteria, lay the groundwork for a risk map to identify suppliers that require further investigation.

In 2020, we took a further step toward our responsible sourcing strategy by moving to a new service provider to gather information using the Conflict Minerals Reporting Template. To transfer information through the supply chain, our in-scope direct material suppliers were asked to report their use of 3TG (tantalum, tin, tungsten and gold), the processing smelter or refiner, and the country and mine of origin. This system works with our internal procedures to cross-check supplier responses about materials contained in products supplied and to identify response discrepancies that may require additional follow-up with the supplier. For further details see the Responsible Sourcing section.

ENGAGING OTHER STAKEHOLDERS

Many of FCA's sustainability events are designed to engage a variety of external stakeholders across a range of sustainability issues. These activities range from classroom working groups and presentations in high schools and universities, to role-playing exercises at special sustainability events.

Many initiatives throughout the year were held virtually and covered a variety of topics such as:

- Non-financial disclosure and FCA's sustainability performance - The Sustainability Team facilitated online webinars for university students, reaching more than 200 students from the Politecnico of Turin, SAA School of Management and the University of Pavia (Italy). In-depth discussions focused on FCA's sustainability performance and transparency requirements for companies to disclose how they operate and manage social and environmental challenges.
- Workplace attractiveness – FCA interns in North America engaged in two online events to gather their experiences and perspectives related to working remotely throughout their internships. Discussions focused on specific topics such as company culture, working environment and employee benefits.
- Sustainable mobility – Future mobility options rely on input from a variety of stakeholders with diverse backgrounds and experiences. The challenge also includes finding new solutions that meet their needs. FCA through its e-Mobility Team, supported interactive events in 2020 on topics that ranged from developing an end-to-end mobility hub for car-sharing to optimizing the battery charging system of electric vehicles while increasing its power and sustainability.

Through all these events, we were able to reach a total of more than 3,000 stakeholders.

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 fully integrated automobile operations (i.e., research, design, development, production and sales operations) 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. In January 2020, FCA's CEO was elected ACEA President. The priorities moving forward include paving the way to transition to carbon-neutral transport and fully supporting the aims of the European Commission's Green Deal.

In the U.S. in early 2020, two auto industry trade groups, Global Automakers and the Alliance of Automobile Manufacturers, merged to create the Alliance for Automotive Innovation. The new entity aims to speed advancement in transportation through public policy, stakeholder engagement and greater public understanding. In addition to automakers, Tier 1 suppliers, technology companies and new entrants to the mobility space can be members.

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

Throughout the years, our analysis of material topics, including input from key stakeholders, contributed to the development of long-term sustainability-focused targets. These targets covered 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.

The existing FCA targets expired at the end of 2020, with the majority of results meeting target objectives. Some targets were not met largely due to the COVID-19 impact on areas such as production. As we move forward, we will not release a new set of FCA targets, however as a part of Stellantis we anticipate supporting a common sustainability strategy.

One of the FCA targets had an expiration year of 2025. Given the merger with Groupe PSA, the previous FCA target is not applicable to the new scope of Stellantis. For this reason, it is not included in the list of targets in this section. This Report focuses on legacy FCA only, reflecting the organization as of December 31, 2020. As we move forward, we will be developing a new set of targets applicable to Stellantis. In 2021, teams within Stellantis will focus on converging operations, processes and KPIs, as well as focusing on developing the strategic plan.

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
- 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

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

RESPONSIBLE SOURCING
- Promote social and environmental responsibility among suppliers

Key:
- Target achieved
- Target partially achieved
- Target not achieved

CORPORATE GOVERNANCE AND VALUES

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

Targets	2020 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 A- on CDP Supplier Engagement Ratings • Member of sustainability indexes including STOXX® Global ESG Impact, ECPI World ESG Equity, and ECPI Euro Ethical ✓ Among the FCA shareholdings held by the Group's top 200 institutional shareholders, 75% 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 3,000 external stakeholders involved in initiatives held virtually and covered a variety of topics such as non-financial disclosure and FCA's sustainability performance, workplace attractiveness, sustainable mobility
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 across the organization with responsibility for related projects
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 75% 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	✓ 97 sites identified as potentially exposed to flood risk and reanalyzed according to the flood risk assessment methodology ◐ Started to be extended globally the methodology for detection and mitigation of supplier risks, despite COVID-19 limited on-site visits ✓ Assessed 227 vehicle inventory parking lots located in 33 countries with respect to potential vehicle damage risk ✓ Insurable environmental exposures assessed and quantified through 86 self-assessed sites, and 26 ad hoc on-site visits conducted as ongoing project of the core loss prevention activity

[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, 2020.

Key:
- Target achieved
- Target partially achieved
- Target not achieved

INFORMATION AND COMMUNICATION TECHNOLOGY

Commitment: implement innovative solutions to support competitive business activities

Targets

2020: support FCA digital transformation for smart manufacturing, digital workplace and virtual sales experience

2020 Results

- Provided tools and resources to support Group employees in the transition to working remotely due to impact of the COVID-19 pandemic

  Read more >

- Extended digital shopping solutions leveraging virtual and augmented reality

  Read more >

Key:
- Target achieved
- Target partially achieved
- Target not achieved

EMPLOYEES

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

Targets	2020 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 2020 Thomson Reuters Diversity & Inclusion Index ✓ Approx. 3,000 internal 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. 200 expatriates ✓ More than 32% of new hires were women, contributing to the female representation in FCA's workforce ✓ Approx. 17% of managerial positions held by women
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. 870 employees volunteered worldwide to support local communities, devoting more than 4,500 hours during work time
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. 30,000 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. 52,300 employees in Italy eligible for additional variable pay component as defined by trade union agreement upon achievement of the productive targets established in the 2019-2022 period of the business plan ✓ Approx. 4,600 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. 1.5 million suggestions to improve business products and processes, increase efficiency and reduce costs

Key:
- Target achieved
- Target partially achieved
- Target not achieved

OCCUPATIONAL HEALTH AND SAFETY

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

Targets	2020 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 14th consecutive year with 0.57 injuries per 1,000,000 hours worked (-5% vs 2019 and -87% vs 2010) Severity Rate reduced after remaining stable for two consecutive years, with 0.02 days of absence due to injuries per 1,000 hours worked (-19% vs 2019 and -82% 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 all plants, with focus on COVID-19 prevention, 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	92 plants certified to OHSAS 18001 or new ISO 45001, covering approx. 97% of manufacturing employees *Read more >*

Key:
- Target achieved
- Target partially achieved
- Target not achieved

COMMUNITY

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

Targets

2020: serve as a catalyst to help enhance the self-sustaining social-economic development of local communities

2020 Results

- Committed charitable resources for a value of about €4.6 million to support community development and welfare, including health programs, in addition to Group employee volunteering activities

- Provided local development opportunities and positive impacts through programs such as
  - Árvore da Vida
  - Re-imagine Detroit's Eastside Communities

  Read more >

- Contributions to the United Way from FCA, FCA employees, the FCA Foundation and special events totaled more than €5 million

- Provided pandemic relief efforts including:
  - donations to charities that provide food services to children
  - support for technical, logistical and production programs, such as manufacturing face masks and ventilators
  - expanded beds available for treatment by working on installation of field hospitals

  Read more >

Key:
- Target achieved
- Target partially achieved
- Target not achieved

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

Targets

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

2020 Results

- Committed charitable resources for a value of about €18.6 million to support education-related initiatives worldwide
- The FCA Foundation supported CERN Science Gateway project with a commitment of a total of 45 million Swiss Francs in 2019, distributed annually through 2022 based on milestone achievements
- FCA contributed to education programs such as:
  - Politecnico of Turin (Italy) with more than €2.1 million to support the Automotive Engineering master's course
  - Detroit Public Schools Connected Futures Program with approx. €435,000
- Innovative training courses on digital transformation and robotics provided by Comau in Italy:
  - approx. 1,000 primary and secondary school students participated in e.DO Experience program, aimed at reinforcing robotics and STEM skills
  - 2,000 secondary students attended Robotics License for the development and certification of robotic use and programming skills
- Approx. €498,000 in grants from FCA Foundation to support FIRST programs with 114 teams at the elementary, middle and high school levels supported by approx. 90 FCA employee mentors in the U.S.

Key:
- Target achieved
- Target partially achieved
- Target not achieved

PRODUCT

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

Targets	2020 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 41% vs 2006 and by 45% vs 2000, while increasing product portfolio of mass-market cars
2020: achieve at least 5% to 15% improvement in fuel economy[2] for major renewals of FCA US vehicles compared with replaced vehicles/models	Powertrain and technology upgrades for existing products contributed to fuel economy improvements of up to 15% on selected vehicles
2020: develop electric/hybrid technologies, focusing on solutions that are economically viable, competitive in the marketplace, and beneficial to society	Launched the following all-new electrified models: • New Fiat 500 electric • Fiat 500 mild hybrid • Fiat Panda mild hybrid • Jeep Compass 4xe Plug-In Hybrid • Jeep Renegade 4xe Plug-In Hybrid • Lancia Ypsilon mild hybrid • Maserati Ghibli Hybrid Presented during the year the following electrified models: • Jeep Grand Wagoneer Plug-In Hybrid concept • Jeep Wrangler 4xe Plug-In Hybrid Expanded collaboration with ENGIE EPS, announcing a joint venture to offer innovative services and solutions for access to electric mobility *Read more >* Initiated the Vehicle-to-Grid (V2G) pilot project with the installation of 32 V2G columns capable of connecting 64 vehicles, to pilot the technology and manage logistics of the storage area *Read more >*
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 more than 780,000 natural gas vehicles sold since 1997
2020: reduce CO_2 emissions by 30% vs 2008 on entire Maserati product range	Reduced CO_2 emissions by 30% vs 2008 on entire Maserati product range in the main three regulated markets (U.S., China, EU), accounting for about 75% of the total number of vehicles sold

[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, EU Regulation 2017/1153 and EU Regulation 2019/631.
[2] All improvements represent combined fuel economy compared with the replaced model.

Key:
- Target achieved
- Target partially achieved
- Target not achieved

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

Targets	2020 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	Launched the all-new Uconnect 5 cloud-based platform, featuring global capability for vehicle owners in more than 150 countries Expanded mobility services offered by Leasys, FCA Bank's mobility service company, with additional features and new programs *Read more >*

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

Targets	2020 Results
2020: offer new products (vehicles and components) with environmental performance certification through integration of ISO 14040/44-compliant Life Cycle Assessment (LCA) methodologies	LCA completed on: • Fiat Strada Hard Working CC 1.4 8V Flex vs Nova Fiat Strada Endurance Cabine Plus 1.4 8V Flex and Nova Fiat Strada Freedom Cabine Plus 1.3 8V Flex • New Fiat 500 electric HB-long range vs Fiat 500 gasoline 1.2 69 hp • Jeep Renegade PHEV 190 hp vs Jeep Renegade gasoline 180 hp
2020: minimize environmental impact of materials used in vehicles	Monitoring in FCA plants of the Global List of Automotive Process Substances (GLAPS)
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	16 new applications of sustainable materials approved Began collaborative work on the EU Horizon 2020 REVOLUTION and LIFE GREEN VULCAN projects, at the development of next generation recycled and bio materials
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	Tires collected by dismantlers in Italy resulted in approx. 31,000 tons being used in recycling activities 264 dismantlers selected on the basis of environmental and quality criteria to serve the FCA Italian ELV network Monitoring of ELV topics further expanded to 77 markets, also taking into account the arrival of electrified vehicles in the market

Key:
- Target achieved
- Target partially achieved
- Target not achieved

CUSTOMER FOCUS

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

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

2020 Results

- 2021 Ram 1500 (crew cab) named an IIHS Top Safety Pick

- 2021 Chrysler Pacifica achieved U.S. NCAP 5-Star rating
- 2021 Chrysler Voyager achieved U.S. NCAP 5-Star rating
- 2021 Dodge Challenger achieved U.S. NCAP 5-Star rating
- 2021 Dodge Charger achieved U.S. NCAP 5-Star rating
- 2021 Jeep Grand Cherokee 4x4 achieved U.S. NCAP 5-Star rating
- 2021 Ram 1500 achieved U.S. NCAP 5-Star rating

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

Targets

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

2020 Results

Brands that achieved first quartile placement in specific markets:
- Dodge - North America
- Ram - North America
- Fiat - EMEA
- Lancia - EMEA
- Jeep - LATAM
- Jeep - APAC

Models that achieved first quartile placement in specific markets:
- Dodge Durango - North America
- Fiat Panda - EMEA
- Lancia Ypsilon - EMEA
- Fiat Mobi - LATAM
- Fiat Strada - LATAM
- Jeep Renegade - LATAM
- Jeep Compass - LATAM
- Jeep Compass - APAC

[1] Vehicle portfolio will place within the top 25% of benchmark data.

Key:
- Target achieved
- Target partially achieved
- Target not achieved

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

Targets	2020 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 29 different languages Handled approx. 45.5 million contacts worldwide
2020: achieve customer service levels[2] in all regions in line with the Group's best performing region	Achieved customer service performance across regions ranging from 62% to 89% 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 5.1 million training hours to sales, after-sales and technical personnel within FCA's dealer network worldwide Through the TechPro[2] program, trained about 1,200 students in Italy for jobs in automotive repair centers and dealer networks

[2] Group level refers to the level of service across the four regions: EMEA, North America, LATAM and APAC, including Maserati.

Key:
- Target achieved
- Target partially achieved
- Target not achieved

PRODUCTION

Commitment: optimize environmental performance of production processes

Targets	2020 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 13.5% CO_2 emissions per vehicle produced at mass-market vehicle assembly and stamping plants worldwide vs 2010 (from 0.61 to 0.53 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 8% energy consumption per vehicle produced at mass-market vehicle assembly and stamping plants worldwide vs 2010 (from 7.3 to 6.8 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	○ 1.4% 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 36% water consumption per vehicle produced at mass-market vehicle assembly and stamping plants worldwide vs 2010 (from 5.0 to 3.2 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 60% waste generated per vehicle produced at mass-market vehicle assembly and stamping plants worldwide vs 2010 (from 217.2 to 87.7 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 56% hazardous waste generated per vehicle produced at mass-market vehicle assembly and stamping plants worldwide vs 2010 (from 8.2 to 3.6 kg/vehicle)
2020: achieve up to 98% waste recovery at Group plants worldwide, with specific targets for each company	● Achieved 99.9% waste recovery at Group 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 29% VOC emissions per square meter painted at mass-market vehicle assembly and stamping plants worldwide vs 2010 (from 32.4 to 23.1 g/m^2)
2020: achieve Environmental (ISO 14001) and Energy (ISO 50001) certification for all Group plants[1] operating worldwide	● 95 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 93 plants, accounting for more than 99% of total Group manufacturing cost base ◐ Award performance level achieved in 68 plants (28 bronze, 34 silver and 6 gold level), accounting for 94% 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 achieved
- Target partially achieved
- Target not achieved

LOGISTICS

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

Targets	2020 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 more than 3,000 tons of CO_2 New projects implemented or expanded to improve worldwide transport operations, such as route reconfiguration which reduced miles and helped avoid more than 7,500 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 approx. 175,000 wooden pallets and saving more than €450,000, while lowering the environmental impact of producing and delivering the pallets *Read more >*

Key:
- Target achieved
- Target partially achieved
- Target not achieved

RESPONSIBLE SOURCING

Commitment: promote social and environmental responsibility among suppliers

Targets	2020 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	✓ Launched resource for suppliers to submit multiple reports (CMRT, SAQ, CRT) to one service provider for greater efficiency in the supply chain ✓ Launched a new sustainability-focused assessment to evaluate supplier sustainability profiles, including requests for evidence ✓ Requested EV battery suppliers to submit CRT to exchange information regarding cobalt's country of origin, smelters and refiners being utilized ✓ Delivered Conflict Minerals and ethical sourcing training to 50 students. Additional SAQ and CMRT training provided to more than 250 online participants ✓ 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	✓ More than 600 sustainability assessment questionnaires submitted by FCA suppliers, representing approx. 48% of FCA 2020 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	✓ 307 suppliers invited to respond to the CDP Supply Chain program, with 231 responding, representing approx. 65% of the 2020 annual purchased value

Corporate Governance

The foundation of the Company's governance model was the Code of Conduct and a collection of supporting statements, including guidelines, that reflected our commitment to a culture dedicated to integrity, responsibility and ethical behavior.

The Company governance model regulated the decision-making processes and the approach used by the Company and our workforce in interacting with all stakeholders.

This model was supported by the whistleblowing process for reporting situations, events, or actions which may have been inconsistent with the Code of Conduct; an advanced risk management system; and an ongoing alignment with international best practices and the Dutch Corporate Governance Code.

KEY FCA FIGURES SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

1
CODE OF CONDUCT

12
GUIDELINES
REFLECTING RESPONSIBLE COMMITMENTS

12
PRINCIPLES
FOR ETHICAL BEHAVIOR

Corporate Governance

The Company's governance supported how we did business on a daily basis, enabling us to pursue sustainable growth and to create value while respecting the legitimate interests of stakeholders. The main elements of the Company's governance structure as of December 31, 2020 are described below.

The Board of Directors – composed of 12 Directors, including both executive and non-executive – was responsible for the management and strategic direction of the Group. Shareholders determined the appointment of Directors, both executive and non-executive, at the time of the Annual General Meeting.

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

In 2020, we determined that seven of our 12 Board members qualified as independent for purposes of New York Stock Exchange rules and the Dutch Corporate Governance Code.

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

The Company considered 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 considered such factors when evaluating nominees for election to the Board of Directors and during the annual performance assessment process.

BOARD COMMITTEES

The Board of Directors was supported by three Committees:

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

The Governance and Sustainability Committee was 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 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 was elected by the Board of Directors and comprised of at least three Directors according to its charter. More than half of the members were to be independent.

EVALUATION OF THE BOARD OF DIRECTORS' PERFORMANCE

In accordance with the Charter in place in 2020, the Governance and Sustainability Committee had, among others, the duties and responsibilities to review annually the Board of Directors' performance, the performance of its committees and each Director's continuation on the Board of Directors. Reviews occurred at appropriate regular intervals as determined by the Governance and Sustainability Committee.

In 2020, the Governance and Sustainability Committee of FCA focused on the periodic assessment of the performance of the Board of Directors, its committees and the individual Directors. Consideration was given to what actions, if any, could enhance and further improve the functioning of the Board of Directors of FCA and its committees, as well as steps that could be taken to address specific requests or perceived areas for improvement.

CLIMATE-RELATED GOVERNANCE

The Board of Directors was responsible for the strategy of the Company. Due to the nature of the products we produced and sold in the automotive industry, risks and opportunities posed by climate-related issues could not be separated from other business matters. The management and mitigation of risks to our business and the deployment of opportunities encompassed a broad array of possibilities including issues posed by climate change, and whether considering local, regional or global risks their impact ranged from minor to significant.

Several governance mechanisms contributed to ensure that climate-related issues were appropriately addressed. Climate change risks and opportunities were considered, among others, when the Board of Directors reviewed and guided FCA's strategy, major plans of action, risk management policies, annual budgets, and plans as well as when setting the organization's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures.

Within the Company, the executive leadership team also played an important role in addressing and managing the climate-related risks and opportunities that had the potential to significantly affect the organization. On certain key industrial matters, the CEO, who was also a Board of Directors member, was supported by the Group Executive Council (GEC). The GEC was responsible for executing the decisions of the CEO and Board of Directors, and the day-to-day management of the Company, primarily to the extent it related to its operational management, including reviewing the operating performance of the businesses and collaborating on certain operational matters. Within the GEC, several positions were responsible for assessing and managing climate-related risks and opportunities.

- The Chief Technical Officer (CTO) coordinated the global innovation and product development activities. In particular, the CTO led FCA Research and Development (R&D) and was responsible for stimulating opportunities for synergies and technology transfer across the entire enterprise. The CTO was a member of the GEC, a direct report of the CEO and reported out to the Board of Directors in 2020. A significant aspect of our business that affects climate-related risks centers around the fuel efficiency of our products. Historically, we concentrated the majority of our fuel efficiency research efforts in two areas: reducing vehicle demand energy, as well as reducing fuel consumption and greenhouse gas emissions. Fuel consumption and greenhouse emissions reduction activities were primarily focused on powertrain technologies including: engines, transmissions and drivelines, hybrid and electric propulsion systems and alternative fuels. For more information about FCA's Research and Development activities, please read here.
- The Chief Technical Compliance Officer (CTCO) oversees the global Vehicle Safety and Regulatory Compliance organization which focuses on environmental-related matters for our products including greenhouse gas and other emissions. The CTCO was a member of the GEC, a direct report of the CEO and reported out to the Board of Directors in 2020. For more information about FCA's fleet emissions and fuel economy, please read here.
- The Chief Audit, Sustainability and Compliance Officer, reports to the CEO, was a GEC member, and coordinates the activities of the Sustainability Team that monitors FCA's environmental, social and governance performance at the global level, which includes climate-related data. On an annual basis, the position reports to the Board of Directors, including the Board of Director's Governance and Sustainability Committee.
- The Chief Manufacturing Officer (CMO) oversees all FCA's manufacturing operations, including planning for operational energy efficiency and related CO_2 emissions reduction. The CMO was a member of the GEC, a direct report of the CEO and reported out to the Board of Directors in 2020. For more information about FCA's production performance, please read here.

Among organizational structures assigned for the governance and management of climate-related risks and opportunities, Risk Management Committees were responsible for supporting risk governance in their respective region/sector. The Global Risk Management Committee was chaired by the Group CFO, who was also a Board of Directors member. Other members were representatives from the Legal, Risk Management, Internal Audit functions and from business operations. The mission of this Committee was to provide broad process oversight and to facilitate our integrated risk assessment process.

In addition, we utilized the operational focus of our existing Product and Commercial Committees to support risk governance. The Product Committee oversaw capital investment, engineering and product development programs related to fuel economy, emissions and vehicle electrification, while the Commercial Committee oversaw matters related to sales and marketing.

Through an integrated approach, our various committees support FCA's GEC, CFO, CEO and Board of Directors (through the Audit Committee) with risk oversight. Key global risks identified in 2020, include among others, those connected with climate-related issues: Regulatory Compliance, Technology Development and Product Launch, Product Portfolio and Technology Strategies as well as Interruption of Critical Supplies and risk of scarcity of raw materials.

When identifying or assessing any risk events including climate-related risks (i.e., transition risks), the Company also identifies substantive impacts that could hinder FCA's ability to achieve its strategic goals, having the potential to generate a substantive change in Group operations, profitability, and brand reputation. Risks identified to have high or medium-high levels of residual risk were considered significant risks, based on the potential impact on our organization, the likelihood that the risks occur and the mitigating factors adopted by our Group. For more information about FCA's risk management, please read here.

SUSTAINABILITY MODEL

The Company's sustainability model incorporates the need to implement robust processes as well as strengthen cultural buy-in to simultaneously achieve our economic, environmental and social responsibility objectives.

The Group has established processes to align our long-term business strategy with the needs of internal and external stakeholders, 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 environmental protection as well as community service.

In order to implement meaningful sustainability practices and optimize the management of sustainability aspects within the Company, all areas, functions and levels of employees, from the top of the management chain to workers in plants and offices around the world were involved. The Group also actively promotes environmental and social responsibility among our many suppliers.

Several entities within the Group, 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 sustainability achievements and objectives.

The Sustainability Team, with members located in Italy, Brazil, China and the U.S., facilitates the goal 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 were carried out by the Sustainability Team as part of its assignment to maintain an interchange with internal and external stakeholders. Reports on these dialogues were then included in the annual disclosure and conveyed to the Governance and Sustainability Committee.

CODE OF CONDUCT

The Code applies to all Board members, officers and full-time and part-time employees including subsidiaries. The Code also applies to all temporary, contract and all other individuals and companies that act on behalf of the Company, wherever they were located in the world (collectively, the "workforce"). The Code of Conduct was a pillar of the integrity system which regulates the decision-making processes and operating approach of the Group and our workforce 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.

The Code of Conduct included explicit references to the spirit underlying the United Nations (UN) Declaration of Human Rights, the International Labour Organization (ILO) Conventions and the Organization for Economic Co-Operation and Development (OECD) Guidelines for Multinational Companies. The Code was intended to be consistent with such guidelines as applied under applicable local laws 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 Company's integrity system was comprised of these primary elements:

- Principles that captured the Company's commitment to core ethical values in business and personal conduct.
- Practices that were the basic rules that guided our daily behaviors to achieve our overarching Principles. The Practices supplemented the Principles with useful detail.
- Procedures that further articulated the Company's specific operational approach to achieving compliance with the Code, and that may have specific application limited to certain geographical regions and/or businesses as appropriate.
- Statements, including Guidelines, that covered specific issues to emphasize the Company's accountability and commitment to a culture of responsibility and integrity. These covered, among others, matters related to human rights, competition, sustainability for suppliers, environmental management, responsible taxation, advertising and marketing communication, and Conflict Minerals.

The full set of guidelines was available on the corporate website.

We relied on our best efforts to ensure that the Code was regarded as a best practice of business conduct and observed by those third parties with whom we maintained business relationships of a lasting nature such as suppliers, dealers, advisors and agents. Group contracts worldwide included 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 Principles of the Code could be consulted and downloaded from the Company's website, the employee portal and other employee communication channels aimed at reaching the entire workforce. Copies could also be obtained from Human Resources, the Legal Department or Audit and Compliance.

The Group disseminated the Code of Conduct and the values of good governance to the workforce. The level of knowledge of the Code of Conduct was measured via training with modules that tested comprehension. Completion rates were closely monitored. Other communications reinforced the training, such as short videos featuring senior management that were distributed to the entire workforce and that dealt with discrete topics under the Code.

Employees were provided training about ethics and compliance, with particular focus on the Code of Conduct, including anti-corruption, human rights, non-discrimination and harassment prevention, supervisors' responsibilities in the handling of concerns, and insider trading for managers. During 2020, roughly 70,000 individual training sessions were recorded. Further, the 2020 Code of Conduct training campaign was globally delivered reaching approximately 50,000 employees.

FCA ETHICS AND COMPLIANCE COMMITTEE

The FCA Ethics and Compliance Committee provided assistance to the Company's Audit Committee and management in order to have oversight at Group level, and supported the goal to continuously improve an ethical culture of integrity and compliance with applicable laws, regulations and Company policies.

The Committee's members included the Chief Audit, Sustainability and Compliance Officer, the General Counsel, the Chief Human Resources Officer and the Chief Financial Officer, and was supported by regional Ethics and Compliance Committees. The Committee reported to the CEO and to the Company's Audit Committee.

One of the Committee's responsibilities was to design, implement and oversee the Company's Compliance Program. The Compliance Program was tailored to address the areas of material risk that the Company identified in its risk assessment processes, and consisted of various elements including the Code, training and communication plans, the Ethics Helpline, and an assessment program with an outside ethics organization that ensured continuous improvement. As a whole, the program was intended to ensure that the Company had adequate systems and processes, to identify, investigate and remedy instances of non-compliance with the law and the Group's policies and procedures and an efficient mechanism which allowed the Group's workforce and stakeholders to communicate instances of potential Code of Conduct violations, disclosures of conflicts of interest and questions on Company policies.

Regular cadence of communications reinforced the Group's culture of integrity, including communications from senior management, middle management, the compliance team and others. In addition, global and local training helped promote the FCA culture of integrity while familiarizing the workforce with its obligations under the Code of Conduct.

ACTING RESPONSIBLY

The FCA Code of Conduct clearly and affirmatively required employees to report issues of non-compliance. Unless local law provides otherwise, employees were directed to 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 have placed the Company at risk, and may have been the subject of disciplinary action.

FCA's workforce and business partners could 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 offered a worldwide, common and independent intake channel via telephone and web to report any concerns of alleged situations, events, or actions that may have been inconsistent with the FCA Code of Conduct. It was managed by an independent provider, available 24 hours a day, seven days a week. FCA chose this reporting channel to meet compliance needs and maintain a consistent reporting environment.

In addition, the FCA Ethics Helpline also allowed 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 could 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 were identified through:

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

FCA analyzed and investigated the allegations received through the Ethics Helpline; the results and any potential actions were 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 were notified of the violations. The FCA Audit Committee of the Board of Directors was periodically updated on the status of the allegations with a specific focus on significant cases.

Violations of the Code of Conduct [SDGs 16]

by category

	Total closed cases	Total confirmed cases
Managing Our Assets and Information	308	181
Interacting with External Parties	73	14
Conducting Business	113	77
Protecting Our Workforce	1,169	199
Total	**1,663**	**471**

The violations of the Code of Conduct were 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 comprised Avoiding Conflicts of Interest and Supporting Our Communities. The Conducting Business category covered 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. For all Code violations, the disciplinary measures taken were commensurate with the seriousness of the case and comply with local legislation.

The auditable universe of FCA companies was 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 were audited to ensure 100% coverage every three years of all commercial companies, and every five years for all other companies.

DO THE RIGHT THING

To enhance FCA employees' familiarity with the Code of Conduct and create a stronger awareness of the high ethical standards embodied in it, the video series "Do the right Thing" continued in 2020 through a dedicated intranet page.
The videos incorporate information, examples and questions asked about the Code of Conduct and explained some of the most common ethical issues that may come up in day-to-day activities, with the aim to help guide everyday decision-making.
The video series included global messages and essential guidelines from different global business leaders regarding common ethical concerns.

HUMAN RIGHTS

The Group was committed to the prevention of adverse human rights conditions. FCA requires adherence to applicable local laws that were designed to recognize international 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 were publicly available, were 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 covered the rights we sought to ensure for, and with, our major stakeholders:

- Employees: FCA prohibited the use of child and forced labor. We sought to provide a diverse and inclusive workplace, free from discrimination and harassment. We recognize and respect workforce members' freedom of association and were committed to providing employment conditions that were competitive and compliant with all applicable employment, wage and working hour laws. FCA conducted all of our worldwide operations with the highest regard for the health and safety of our workforce in accordance with applicable laws and was dedicated to consistently improving health and safety measures to help ensure that the potential for injury in the workplace was minimized.
- Customers: FCA was committed to offering safe, reliable, high-quality vehicles to our customers.
- Communities: FCA was committed to socially responsible engagement with the communities where we had operations.
- Business partners and suppliers: FCA expected our suppliers, contractors and other business partners with whom we do business, to adhere to our human rights standards. They were also required to comply with all applicable 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 were developed:

- an annual survey aimed at detecting child and forced labor at worldwide FCA companies, including those located in countries that had not ratified ILO Conventions on these issues. In 2020, no incidents of child labor or forced and compulsory labor were reported in any of the companies mapped.
- a Human Rights self-assessment performed by the Audit and Compliance organization 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 were 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 2020, the human rights self-assessment compliance checklist was performed by individual legal entities and reviewed by the Audit and Compliance organization, with a coverage of 75% of the FCA workforce worldwide, involving the following countries: Argentina, Brazil, Canada, China, Italy, Mexico, Romania, Switzerland and the U.S.

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

DATA PRIVACY RIGHTS

FCA considered 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 aimed 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, which were available on our Company website, and specific Privacy Policies, provide guidance on the management of personal and sensitive data, and the prevention of potential privacy and security risks and incidents.

FCA collected a significant amount of personally identifiable information related to employees, contractors, suppliers, customers and other persons with whom we had a relationship. Treatment of the data respected the principles of lawfulness, fairness and transparency to ensure that the data subjects trust how their data will be used, exercising the right to lodge a complaint with a supervisory authority in case of unlawful data processing.

The Group had already committed to the essential principles of “privacy by design” and “privacy by default” and was constantly improving the security of its data storage and exchange networks.
With the aim of promoting and monitoring the data privacy compliance, FCA appointed the Group Data Protection Officer (DPO) who defined the FCA Privacy Organization. Regional and Business DPOs were responsible for defining and providing guidance to the organization on requirements of relevant data privacy regulations. Along with collaborating with each other, they supported their Regional Privacy Offices which consist of ICT and Legal professionals.

FCA provided training and awareness within the Group companies and took part in working groups among professionals to foster the exchange of best practices. In particular, FCA participated actively in discussions led by the European Automobile Manufacturers’ Association (ACEA), sharing best practices to comply with privacy regulations relating to new technologies applied to the automotive sector, in particular with the increasing relevance of connected vehicles.

ENVIRONMENTAL PROTECTION

We were focused on the effect that our activities and products have on society and the environment, and on our role in developing solutions to reduce our environmental footprint. We fostered environmental protection in our overall approach to business operations and established Environmental Guidelines, which were publicly available on our website, to promote and instill these values in our products and operations.

We evaluated the impact of our vehicles on the environment throughout their entire life cycle. Our approach to responsible vehicle development included dedication to efficient powertrains, improved aerodynamics, weight reduction, safety, quality, increased use of renewable materials, and alternative mobility solutions. We believed 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, the Company adopted World Class Manufacturing (WCM), a structured production system that promotes sustainable, systematic improvements aimed to evaluate and address all types of operational waste and losses, and reduce 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 rested with everyone at FCA, as well as with our business partners and the customers who drive our vehicles. We encouraged 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 expected 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 encouraged 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 acknowledged the challenges posed by climate change and the goal of transitioning to a low-carbon future.

To reduce the impact of our vehicles, we strived to reduce CO_2 emissions and improve fuel economy in response to the unique regulatory requirements of the Company's major markets.

In the European Union (EU), the Company 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 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 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.

Global goals for our manufacturing operations focused on energy, water and waste management as well as the adoption of international certifications for our plants operating worldwide.

FCA also helped mobilize suppliers to become actively involved in cutting greenhouse gas emissions and 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.

Most of the company's targets, including those mentioned above, expired at the end of 2020. Please refer to the Sustainability Targets section of this report for more information on the results achieved.

TRANSACTING BUSINESS LEGALLY

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

The Group's policy was that no director, officer, employee, agent, or business partner shall directly or indirectly, give, offer, promise, authorize, solicit or accept anything of value to a government official for an improper purpose in connection with their work for the Company. Facilitating payments or "grease payments" as well as commercial bribery (i.e., improper transactions not involving government officials) were also prohibited.

These principles applied to third parties that act on FCA's behalf. Each FCA company that engaged third parties to act on its behalf was to ensure that such representatives signed written agreements that contained clauses that required their compliance with anti-corruption laws, and that the representatives were subject to the Company's applicable due diligence procedures, if any.

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

FCA's record keeping and internal accounting and control Practices and Procedures were designed to ensure integrity and accuracy in the recording and reporting of all business transactions. Alleged violations were reported through the FCA Ethics Helpline, as well as through the same channels as other types of potential violations.

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

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

Conflicts of interest could arise when members of our workforce engaged in activities or had interests that compromise the interests of our Company, because these activities or interests could 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, the Group implemented a dedicated module to submit conflicts of interest disclosures through the FCA Ethics Helpline.

As reported in the Code of Conduct, the Group was 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 were only allowed where permitted by law and must be authorized at the appropriate level within each Group company. In 2020, no contributions were made to political parties.

LEGAL PROCEEDINGS

The Group is subject to governmental investigations and legal proceeding as referred to in the paragraph "Risk Management" in the Form 20-F, on which the Group has not received any final judgment during 2020.

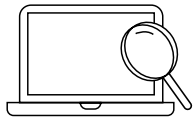
Risk Management

Risk management is an important business driver and is integral to the achievement of the Group's 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 FCA FIGURES SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

50+
RISK DRIVERS
IDENTIFIED



12
LOSS PREVENTION WEB SEMINARS
INVOLVED
~150 SPECIALISTS
FROM 65 GROUP PLANTS

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 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 Company's approach are:

- the Enterprise Risk Management process, which increases visibility to key risks that could hinder the ability to achieve our strategic goals. All regions collaborate to identify and prioritize risks based on impact, likelihood and controls, and mitigation actions in place, 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 solutions.

The risk management process used 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 Report - Enterprise Risk Management model) and the principles of the Dutch Corporate Governance Code, 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 risk 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, who are responsible for conducting 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 global and operating segments view for each functional areas, and includes the review by the responsible Chief Operating Officers and the Global Risk Owners. The central ERM team consolidates results into a Group report for review and validation with the Global Risk Management Committee (GRMC) and Group Executive Council (GEC). As part of the consolidation, significant global focus risks are identified and monitoring actions are established. 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 2020 include risks related to regulatory compliance; product portfolio and technology strategy; technology development and product launch; customer satisfaction; talent management; interruption of critical supplies and risk of scarcity of raw materials; commercial policies; and corporate cybersecurity. Each key global focus risk has been classified by risk categories and control measures and mitigating actions are subsequently defined for each identified risk. In addition, sustainability-related topics, as disclosed in the materiality diagram, were included in the ERM risk assessment discussion, driving to an alignment with the global focus risks for the Group.

For further details, see Significant Risks Identified and Control Measures Taken in the 2020 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 2020, Business Continuity Plans had been developed for 23 of the higher-risk manufacturing plants in the United States, Canada and Mexico, accounting for more than 90% of FCA's total North America 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 regional Chief Information Officers are responsible for ensuring that the Disaster Recovery program is executed within ICT, following standards and guidelines outlined by the National Institute of Standards and Technology (NIST).

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 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 BCP follows the best practices and requirements of international standards (FCA Services is ISO 27001 certified) and focuses on continuity of services.

This BCP includes:

- Policies and Procedures regularly updated 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 Indicator to assess the correct alignment of all parties with the BCP requirements and the full achievement of all objectives
- Business Continuity training including a number of awareness-raising activities such as campaigns and newsletters
- Business Continuity Plans with all steps and actions to be taken in case of a disruption covering incidents that could affect part or the whole company business processes
- 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. Due to the COVID-19 pandemic, the BCP was activated successfully in 2020 in all countries where FCA has operations, allowing employees to carry out their activities without impact to the business.

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 benefits from 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 1,264 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 specialized in industrial risk. They use field audits to provide an impartial, in-depth and consistent assessment of risk across the Group.

LOSS PREVENTION AT THE TIME OF COVID-19

In 2020, loss prevention activities were significantly impacted by the COVID-19 pandemic. From the early stages, the Loss Prevention Team led a cross-functional work group whose mission was to identify new risks introduced for the Group's assets and business continuity by the global outbreak. The main challenge was to implement all the ordinary and extraordinary prevention and protection measures needed for ensuring return to normal production standards as soon as possible. In order to minimize the likelihood of losses and the related production resumption slowing down, we focused on four specific areas:

- Human factor prevention
- Protection systems maintenance
- Sites presidium
- Risk monitoring

It was vital that loss prevention activities continued during the "production pause" period, which did not eliminate the Group's industrial risks but introduced new ones. In response, the Loss Prevention team, with the support of the risk engineering advisors, re-analyzed all the activities carried out, acting on four specific levels:

- Identify and prioritize all activities deemed indispensable and unavoidable
- Simplify all business processes
- Increase focus on innovation and technology
- Seize opportunities presented by a crisis period.

The Loss Prevention team was also involved in several initiatives launched during the emergency period in order to ensure the highest level of prevention and protection for those activities susceptible to new risks at the plants concerned.

During 2020, FCA's risk management entities focused on managing 156 sites worldwide, representing 86% of total insured value. To ensure that industrial risk is adequately and efficiently monitored, 100% 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 2020, 55 sites (out of 156), representing approximately 60% of FCA's insured value, and 272 new projects were inspected or monitored to ensure conformity with international standards in loss prevention. In addition, 57 Remote Risk Dialogue assessments were completed during the production pause, resulting in a total of 87% for 2020.

Because the Group invested to increase the level of prevention and protection of its sites and plants, this enabled an 84% Highly Protected Risk (HPR) certified insured value from the international insurance market. This reflects the FCA's highest level of loss prevention practice and protection standards in combating property damage risks placing the Group among the industrial excellence in the field of loss prevention. Such practice and protection standards are 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.

OVERCOMING 2020 CHALLENGES

Targeted prevention guidelines: During the production stoppage that was a direct result of COVID-19, the Group's sites had to maintain normal prevention processes and procedures and manage any new risks introduced by crisis deviating conditions. Therefore, targeted guidelines were studied to maintain an adequate prevention and protection level at the Company industrial sites, with the aim to prepare them for production restarting. These guidelines were communicated to all sites of the Group in order to ensure a uniform approach in all regions.

Loss prevention remote risk dialogue: Industrial risk analysis activities are mostly carried out on-site to detect all variables involved; provide added value from quantified estimates of probability of occurrence; potential economic impact of loss; cost of necessary mitigation action, probability and damage once recommended improvements are completed. Due to COVID-19, FCA expanded remote working options and all field risk analysis activities were suspended. An alternative remote methodology was developed to continue monitoring the level of vital prevention and protection activities at our sites during site closures and reduced staff. This methodology was launched in all regions, completing 57 loss prevention assessments remotely. This made it possible to continue monitoring the level of prevention, while ensuring Management's oversight toward prevention issues.

Loss prevention webinars: Web-based training classes were delivered via web to all loss prevention specialists working from home in the various regions. Twelve web seminars about 150 specialists from some 65 Group plants. The web classes dealt with different issues related to fire prevention. Due to their effectiveness, the initiative deeply appreciated, the web classes will become an integral part of the risk prevention procedures.

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
- 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.

Since the launch of the project, 92% of FCA's worldwide total insured value was analyzed and quantified using this methodology. Further, to validate information collected through 86 self-assessments, 26 ad hoc on-site visits have been conducted at Group sites considered representative in terms of size, activity and geographical distribution. In 2020 alone, there were 21 self-assessments and one ad hoc on-site visit. The visit was 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 insurable environmental risks have been adequately identified and quantified and are properly managed, enabling the Group to secure 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 have demonstrated 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. 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.

Since its inception in 2013, the Integrated Approach has covered the Group worldwide and 126 selected FCA sites, with further 13 no longer within scope, were analyzed providing quantitative seismic assessment.

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 globally and 97 sites were identified as potentially exposed and all were reanalyzed applying the above methodology. The initiative is considered complete and the risk assessment will be updated during each subsequent survey.

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.

The initiative covers 227 FCA vehicle parking lots located in 33 countries.

SUPPLY CHAIN RISK

FCA strives to implement strategies that manage both everyday and exceptional risks along the supply chain, 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.

Our supply chain risk approach was developed in 2015, focusing on analysis and mitigation of property and business interruption risks. The initial study confirmed the expected results in terms of supplier risk identification, quantification and mapping. A pilot was launched in EMEA in 2017 using a dedicated risk ranking tool, the Global Risk Index, to select both large component manufacturing groups and smaller suppliers. In 2020, this methodology started to be extended to the other regions.

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.

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 to determine their alignment with international loss prevention standards adopted by FCA and, where needed, recommend risk reduction action plans.

CYBER RISK MANAGEMENT

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.

Employees and Community

Employees

Everything we do at FCA starts with our employees and how they support our business, customers and communities around the world. Employees with diverse perspectives and backgrounds create value for stakeholders inside and outside the Company. We work to provide a rewarding and safe working environment 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 FCA FIGURES SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

189,500+
EMPLOYEES

1.1
MILLION
HOURS OF TRAINING

87%
REDUCTION IN INJURY FREQUENCY RATE
WORLDWIDE VS 2010

Employees

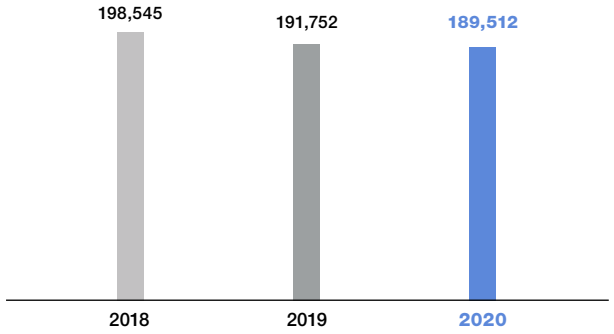
FCA employees at all levels bring their knowledge, creativity and experience to the job in order to identify opportunities and act as catalysts for change. This enables the Group to adapt and respond quickly to the market and to competitive actions.

To achieve the Company's objectives, the Human Resources function supports robust processes designed to secure the talent required by the business and provide employees with opportunities during their entire career, from recruiting to retirement.

As of December 31, 2020, the Group employed 189,512 people.

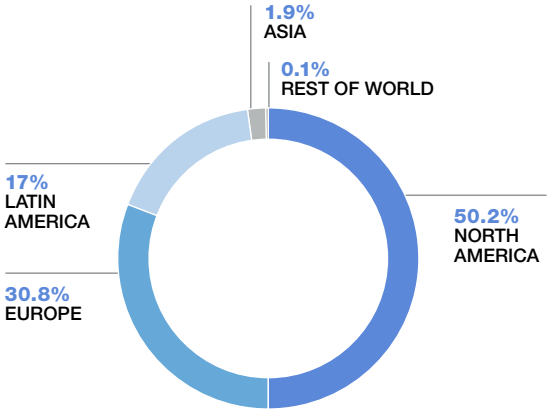
Workforce Trend by Year

FCA worldwide (no.)



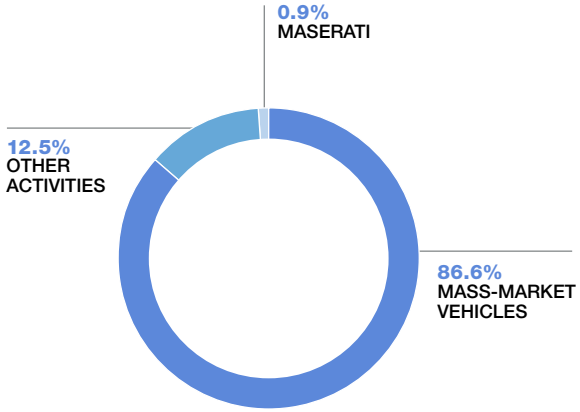
Workforce by Geographic Area

FCA worldwide



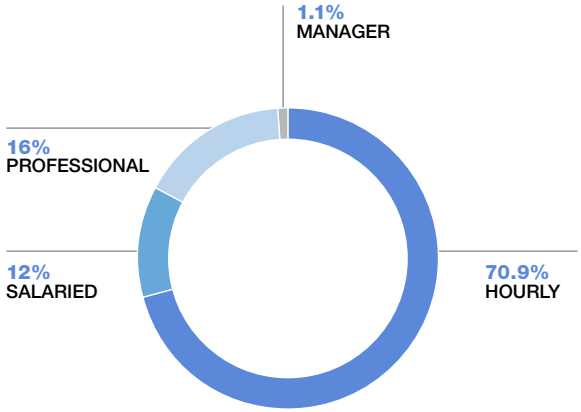
Workforce by Operating Segment

FCA worldwide



Workforce by Category

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.

Today, this perspective is more important than ever, empowering equal employment opportunities 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 opportunity 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 of our workforce and our customers.

Under the guidance of the Global Diversity Council, the regional Councils promote several programs to foster a diverse and inclusive work environment among employees. In addition to corporate initiatives focused on diversity and inclusion, in North America the Company's ten Business Resource Groups include: African Ancestry Network, Asians Connected Together, Diverse Abilities Network, First Nations, Gay and Lesbian Alliance, Latins in Connection, Middle Eastern Employees Together, Women's Alliance, Working Parent Network and the FCA Veterans' Group. These resource groups provide multicultural learning opportunities, mentoring and networking events, community outreach initiatives, charitable activities and contribute policy and process improvements. Similar groups are planned to be launched in the other regions.

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

[SDGs 5]

FCA worldwide (%)

	2020	2019	2017
Hourly	19.2	18.8	18.5
Salaried	28.9	29.0	29.5
Professional	21.2	21.0	20.6
Manager	16.9	16.6	16.7
Total workforce	**20.6**	**20.4**	**20.2**

FCA received a number of recognitions for our commitment to diversity in 2020. As an example, FCA was ranked in the Refinitiv Diversity & Inclusion Index in the global "Top 100 Most Diverse & Inclusive Companies." The index lists the most successful companies in promoting and leveraging diversity and inclusion in the workplace. In addition, for the 17th year FCA was included in Latina Style's 2020 list of Top 50 U.S. companies for Latinas.

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. In 2019, a survey monitoring the employment of individuals with disabilities was conducted across 39 countries, covering 99% of the Group's total workforce. The survey showed that in the countries where regulatory requirements exist (14 mapped), employees with disabilities made up 3.7% of total employees, an increase from the prior survey.

View data >

MANAGEMENT AND DEVELOPMENT

Our employees are one of our greatest strengths in providing the Company with the competitive edge needed in our industry. We value diversity and inclusion and invest considerable resources in employee management and development. We 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 deliver what we promise
- we hold each other accountable through transparency, honesty and constructive debate
- 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. 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.

2020 brought many challenges including how we attract and develop talent. For example, our internship program was redesigned and a new virtual option was created to provide opportunities to students while ensuring their safety. We also continued participation in special events across the regions. For instance, FCA has been involved in providing technical support for 16 years to university teams that design and produce prototypes in European Formula SAE events. In 2020, FCA took part in the jury of the Design for Future virtual competition and organized a virtual Talent Talk to provide a platform for learning and discussion on e-Mobility.

In addition, 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 more than €43,000 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 focuses on their career interests, while nurturing the skills needed for FCA's future workforce.

In Italy, FCA continues to collaborate with 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 2020, FCA granted €2.1 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 2020 for approximately 58,000 FCA employees. Sustainability targets are incorporated in the performance management system for individuals across the organization with responsibility for related projects. This process encompasses virtually all salaried employees.

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 3,000 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 about €25 million in training during 2020, delivering about 1.1 million hours of training to approximately 93,000 Group employees.

Investments in virtual and on-the-job training focused primarily on the Group's four core training concepts: development of job-specific know-how (68.7%), managerial skills (7.7%), cross-cultural awareness and language skills (1.5%) and corporate campaigns, rules and commitments (22.1%).This was supported by our new global learning system launched in 2020.

View data >

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, department meetings and the use of our new global employee portal which provides employees up-to-date company news and information. We use these opportunities to plan and address specific actions aimed at maximizing overall employee satisfaction and engagement.

During 2020, more than 30,000 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 WCM program offers our largest worldwide example of employee engagement. In 2020, 1.5 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 3,000 ideas generated through direct and spontaneous engagement of employees worldwide.

1.5
MILLION
SUGGESTIONS
FROM 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 2020, 74% of employees are eligible for a supplementary retirement plan. During 2020, approximately 76% 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	74
Company-provided health plans	86
Life insurance	71
Financial support for disability/invalidity	73
Employee cafeteria or lunch vouchers	55
Childcare services[1]	34
Wellness and nutrition programs[2]	74
Gym/fitness services[3]	66
Others[4]	28

[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. Based on the role, FCA offers arrangements and initiatives to improve work-life balance which include flextime, job-sharing, part-time or reduced hours, telecommuting, compressed workweek/summer hours, parental leave and other leaves.

In 2020, roughly 13.4% of employees were covered by one or more of the available flexible working arrangements. Specifically, 4.4% of the workforce is employed part-time, of which about 48.6% are women; 2.5% took parental leave related to childbirth and care. The actual figure may be considerably higher, as this percentage does not include participation resulting from informal agreements with local managers, which are not formalized or tracked.

FLEXIBLE WORK PROGRAMS

Across our regions, a variety of programs are in place to enable work-life integration. As a direct result of COVID-19, we accelerated the deployment of working remotely and provided tools and resources to support our employees. Many of our support organizations, such as ICT, worked to transition large portions of our workforce to working remotely. As a result of the success of those activities, initiatives are under way to provide more opportunities for flexible work arrangements to our employees around the world.

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, with continued improvements being made based on market analysis to offer benefits that will help FCA attract and retain the best talent. 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.

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 2020, more than 4,000 employees enrolled in Conto Welfare. This initiative supported employee welfare and work-life balance, granting 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 set aside a portion of their pre-tax earnings to help pay for certain health care and dependent day care expenses.

In the U.S., FCA supplements 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.

View data >

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 injuries is formalized in the targets set by the Company, as well as through the global adoption of a previously-applicable Occupational Health and Safety Management System (OHSMS) certified to the OHSAS 18001 standard, which has been superseded by the ISO 45001 standard. Prior to the adoption of the ISO 45001 standard, FCA had committed that all of our plants operating worldwide in 2020 will be OHSAS 18001 certified. At the end of 2020, 92 Group plants, representing 97% of manufacturing employees, or those directly or indirectly involved in manufacturing processes, were OHSAS 18001 or ISO 45001 certified.

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. The WCM Safety Pillar applies risk prediction methodology, a tool to identify the potential unsafe acts that could happen while performing an activity and assess all potential related risks. The methodology is then used to determine the proper countermeasures. See the Production section of this Report for more information about WCM.

Risk identification and assessment, both on a routine and non-routine basis, are conducted according to a specific Group procedure applied worldwide with the purpose of singling out major risk areas and implementing preventive action plans. Areas within the plants are then classified depending on the risks identified.

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, incorporated into FCA's ISO 45001 management system and the project owners are 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 2020 revealed that almost all employees covered by those collective bargaining agreements were also represented on issues such as health and safety. During the year, due to COVID-19, there were dedicated discussions with employee representatives aimed at ensuring the application of preventive measures by following specific guidelines in the workplace.

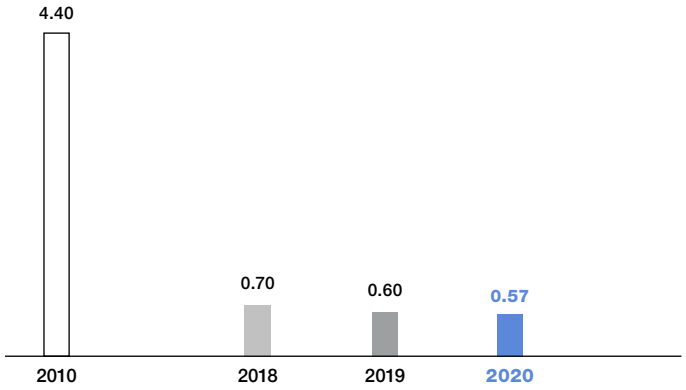
SAFETY INSIGHTS

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 former OHSMS and current ISO 45001 standard, as well as by the WCM Safety pillar, together with the active involvement of employees, development of specific competencies and targeted investment.

Frequency Rate

[*SDGs 3*]

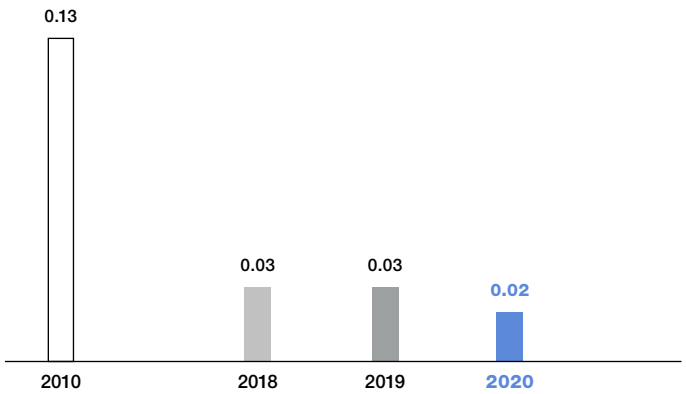
FCA worldwide (injuries per 1,000,000 hours worked)



Severity Rate

[*SDGs 3*]

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 2020, the Frequency Rate index was down 5% compared to the previous year (with 0.57 injuries per 1,000,000 hours worked) and the Severity Rate was down about 20% compared to the previous year (with 0.02 days of absence due to injuries per 1,000 hours worked).

FCA's investment in occupational health and safety prevention, combined with the measures adopted, has resulted in a progressive reduction in the level of occupational health and safety 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 approximately €130 million from 2012 through 2020.

Occupational illnesses refer to diseases that develop gradually over time as a direct consequence of working activities carried out by an employee. FCA regularly monitors occupational illness trends, and in 2020 recorded approximately 300 cases worldwide. The occupational illness frequency rate was 1.01 cases per 1,000,000 hours worked (compared to 1.13 in 2019). 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 >

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 2020, the HPP was available in all plants, continuing to address local issues where appropriate.

[*SDGs 3*]

THE FOUR TOP-PRIORITY AREAS WHERE THE HPP PROVIDES SUPPORT ARE:

▶ ***SCREENING AND VACCINATION***
including services such as blood pressure, blood sugar level and cholesterol monitoring.

▶ ***NUTRITION EDUCATION INITIATIVES***
including counseling on healthy eating in the workplace and providing healthier food options on the cafeteria menu.

▶ ***PROMOTION OF PHYSICAL EXERCISE***
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.

▲▲▲ COVID-19 SAFETY MEASURES

Due to the COVID-19 pandemic and restrictions on businesses, FCA implemented stringent health and safety protocols to protect the workforce and the continuity of operations. The protocols and expectations required the participation of everyone to ensure the application of the safety measures including:

- Self-screening before traveling to the workplace and social distancing on public transportation.
- Screening process for everyone entering FCA sites with specific procedures for visitors.
- Distribution of daily kits to employees consisting of surgical masks and nitrile gloves.
- Mandates for wearing a surgical mask whenever inside the FCA premises.
- Dedicated hand-washing materials and hand sanitizer strategically located throughout the facilities.
- Mandated cleaning protocols for workstations.
- Increased frequency of cleaning common areas.
- Reconfiguration of work sites to comply with safe and social distancing requirements.

FCA provided specific safety measure information on COVID-19 (e.g., how it spreads, symptoms, how to avoid contracting or spreading the virus, etc.) and specific training before returning to the workplace. Additionally, FCA offered on-site influenza vaccinations at some sites to keep the workplace healthy during the flu season.

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-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 rights 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 are involved through specific meetings on strategic business operations (e.g., business plan).

At December 31, 2020, 87.1% 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 and 88.8% of employees not covered by collective bargaining benefit from conditions that are supplemental to, or better than, the minimum required by law.

In 2020, a survey covering approximately 99.6% of the total workforce worldwide, including Sevel (Italy), showed that 84% 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 North America 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 2020, 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 99% 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

In Italy, substantially all FCA employees are covered by collective bargaining agreements and all FCA companies apply the 2019-2022 company-specific collective labor agreement (CCSL), renewed on March 11, 2019 for a four-year period. Managers in Italy are also covered by a company collective bargaining agreement. In April 2020, a Protocol containing the guidelines for dealing with the health emergency and safely operating in the workplace was signed by all the Trade Unions, including Fiom-Cgil, which is not a signatory of the CCSL. The Protocol was updated several times during the year, in line with the evolution of the pandemic risks.

UNITED STATES

In the U.S., the Company applies the terms of the collective bargaining agreement between the FCA US and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW). This is a four-year national collective bargaining agreement signed in December 2019. This Agreement covers more than 49,000 employees and is in effect until September 15, 2023.

CANADA

unionized 90.7% nonunionized 9.3%

In Canada, FCA Canada Inc. applies the terms of the three-year labor agreement signed in October 2020 covering more than 9,000 employees. The Agreement with Unifor is in effect until September 23, 2023.

MEXICO

unionized 83.2% nonunionized 16.8%

In Mexico, FCA Mexico, S.A. de C.V. applies a one-year agreement negotiated in 2020 with The Sindicato Nacional de Trabajadores de la Industria Automotriz Integrada Similares y Conexos de la Republica Mexicana representing more than 14,000 employees. This agreement is in effect until May 9, 2021.

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 established an EWC in 1997 on the basis of the agreement signed in 1996, and which was subsequently renewed with amendments and modifications with a further amendment executed in July 2016. The amendment increased the number of council members from 20 to 24 so that additional employees from new countries within the scope of the EWC are represented. The sale of Magneti Marelli in 2019 entailed the need to redefine the composition of the EWC, starting the negotiations between the signatory parties of the current agreement. During 2020, this adjustment was not completed, however, at the request of the Trade Unions, an additional meeting was granted on December 18, 2020, in order to ensure the continuity of information and consultation.

Overall, in 2020, collective bargaining conducted in accordance with local law and practices, resulted in 227 trade union agreements at either the Company or plant level. In 2020, 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 2020, the management of production levels varied within the regions based on market demand conditions. Managing the effects of the market fluctuations was achieved with the involvement of the trade unions, based on the regulations of the different countries.

- In the EMEA region, the Company continued the implementation of reorganization initiatives by applying defined and specific agreements. The Company applied new work organization solutions; personnel synergies between plants; employment protection measures, including the use of temporary layoff schemes while offering training and retraining programs; and initiatives for the retirement of eligible workers. Due to COVID-19, organizational efforts were on cost containment and maintaining performance. Furthermore, support of the electrification plan and the development of connectivity and driver assistance services continued. The organizational structures in the R&D, manufacturing and commercial areas were adapted and initiatives continued, such as the construction of a Battery Hub for battery assembly and the launch of the vehicle-to-grid (V2G) pilot system at the Mirafiori complex (Italy).
- In the North America region, the Company has spent the past several years realigning its installed capacity in an effort to meet the demand for SUVs and trucks, utilizing existing plant infrastructure. To expand further its SUV capacity, including electrified models, the Company is constructing a new assembly plant in Detroit (U.S.), with production scheduled to begin in the first quarter of 2021. In support of these initiatives the Company continues to utilize flexible operating patterns at North American facilities and to assess the number of manufacturing employees needed to support our current and anticipated production volumes, as well as additional engineering, research and development and other highly skilled employees to support product development, sales, marketing and other corporate activities.

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.

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 Inc. employees are located in Alberta and Quebec, where the maximum notice requirement is eight weeks for employees with more than 10 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: According to Federal Labor Law, companies are required to notify the Labor Court and the trade unions, prior to any large-scale employee layoffs or plant closures. 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

FCA is committed to building a secure future for our Company and for society as a whole. We embrace our responsibility to balance business with social needs by supporting education, creating jobs, promoting employee engagement, volunteerism, and targeting our charitable giving to address local needs. Our partnerships with nonprofit organizations, 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 FCA FIGURES SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

~€37.8 MILLION

COMMITTED TO BENEFIT LOCAL COMMUNITIES

4,800+ HOURS VOLUNTEERED

BY EMPLOYEES

Community

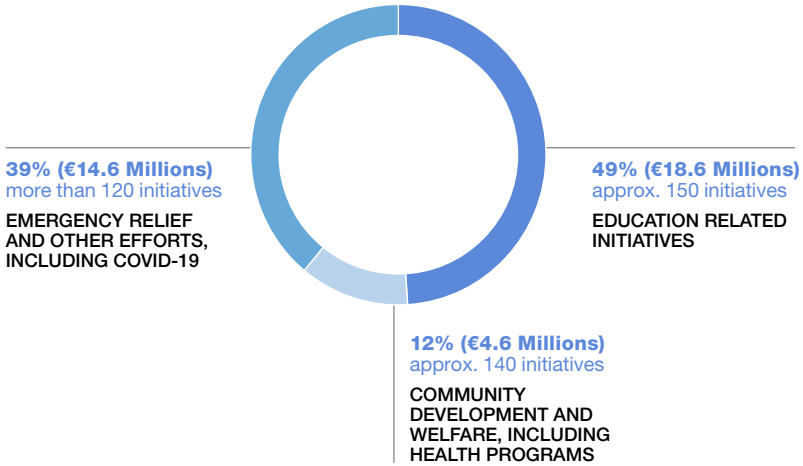
Our community investment activities reflect our efforts to promote thriving, resilient communities. In 2020, we committed charitable resources for a value of about €37.8 million[1], including contributions from the FCA Foundation. In alignment with the United Nations Sustainable Development Goals, our social contribution efforts focus on education to empower people and build resilient communities with effects that can extend generations into the future. In addition, initiatives and charitable contributions are made to support local community needs in the countries where we operate.

2020 was a year with unique challenges across the globe. In addition to supporting areas such as education and community development, FCA took actions to protect our communities with pandemic relief efforts. The Group's 2020 activities focused on a variety of causes: 49% for education-related initiatives; 12% for community development and welfare, including health programs; 39% for emergency relief and other efforts, including COVID-19. Much of the Group's charitable activities around the world are historically operated through the FCA Foundation, which is governed by a Board of Trustees consisting of corporate executives. The FCA Foundation directs its resources towards the focus of education and community service as well as support for members of the U.S. military, veterans and their families.

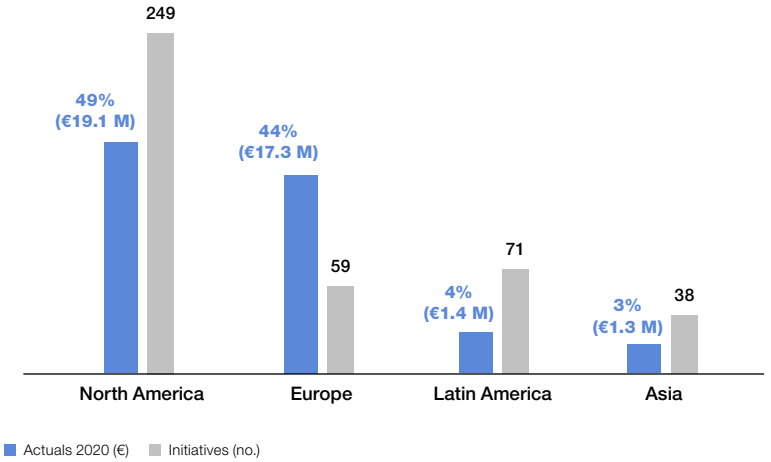
In addition to monetary contributions, FCA encourages our employees to donate their time and skills, with formal policies governing employee volunteer efforts in some regions. Although COVID-19 significantly impacted volunteer opportunities, FCA employees were able to volunteer more than 4,800 hours during working time in 2020. FCA found new ways for employees to volunteer their time and talents virtually through career coaching, mock interviews and tutoring focused on enriching the lives of young people in our communities. Over the years, we have traditionally supported numerous efforts, such as in 2019 when FCA employees volunteered more than 62,000 hours during work time in support of social projects and more than 100,000 hours donating blood.

[1]Amounts refer to all FCA companies worldwide consolidated on a line-by-line basis at December 31, 2020, as well as joint ventures and joint operations. Amounts in currency other than Euro were converted based on exchange rate at December 31, 2020. The reported figure does not include initiatives whose sole purpose is to promote a brand. Includes non-accounting data and calculation methods to estimate cost for employee volunteer time.

Spending and number of initiatives by category



Spending and number of initiatives by geographic area of distribution



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. A few examples of our programs and initiatives include:

STEM

e.Do Learning Center

FCA's production systems brand, Comau, developed programs in Italy, China, U.S. and Brazil which offer an innovative education environment where primary and secondary school students use robots to enhance their knowledge on school subjects. In 2020, nearly 3,000 students have benefited from participation in the Learning Center Educational Robotics Project, which focuses on STEM, soft skills and industrial culture, providing a basis for their future growth.

WINGYAAN Program

The Girl Education and Employability Promotion program, WINGYAAN, in Pune, India, supports girls from rural areas who have passed the 10th Standard but are unable to pursue further studies due to social and economic conditions. A combination of academics and job training leads to a Diploma in Manufacturing Excellence to enable the girls opportunities to find employment in the manufacturing and service sector.

BRIDGING THE DIGITAL DIVIDE

Detroit Public Schools Connected Futures Program

In Detroit (U.S.) public schools, more than 1,100 students were provided the opportunity to learn and connect to the world digitally as a result of a FCA Foundation grant. The grant provided free laptops, internet service and technical support to students at a high school and three elementary and middle schools. The grant addressed the urgent need to close the digital gap faced by an estimated 90% of Detroit public school students.

LITERACY

Teach for Italy

Italy is addressing early school dropout rates and teacher shortages with the Teach for Italy program. The multi-year grant will allow Teach for Italy to hire a diverse group of college graduates and young professionals to help address educational inequities in disadvantaged schools in Mirafiori, Lingotto and Grugliasco (Italy). The program is in partnership with the Italian Ministry for Education and the Turin and Cuneo Provincial Education Authorities.

WORKFORCE DEVELOPMENT

Polytechnic of Turin Training and Collaboration

First established in 1999, FCA continues its collaboration with Polytechnic of Turin, investing in education, training and research. The degree program in Automotive Engineering now includes lessons with experts in sustainable mobility and artificial intelligence. The agreement encompasses international programs and helps prepare engineers to understand the society for which they are designing, through critical thinking, social responsibility, and teamwork, along with a solid background in the humanities.

▲▲▲ MOI PROJECT

In November 2020, the UNHCR (United Nations High Commissioner for Refugees) awarded FCA the prestigious recognition "Welcome - Working for Refugee Integration 2019." This award recognizes FCA's participation in the MOI Project (Migrants, an Opportunity for Inclusion) in Turin (Italy). The program targeted a disadvantaged area to help immigrants who were in conditions of degradation and with different legal status (e.g., refugees, asylum seekers, legal immigrants) to secure employment. FCA organized and provided general and technical training courses for people from several countries such as Sudan, Nigeria, Somalia, Burkina Faso, Ghana, Mali and Togo. The candidates secured jobs through an agreement between FCA and employment agencies. Some candidates joined an FCA plant under a year-long temporary contract. The experience was a success and the job opportunities were renewed.

WORKING ALONGSIDE THE COMMUNITY

FCA recognizes the importance of building strong relationships within the community. By working together, we can best understand where to apply our resources to make a positive impact. We encourage our employees to lead by example; combining charitable financial donations with volunteer opportunities allows us to address community needs and foster employee engagement.

Throughout the COVID-19 pandemic, FCA focused relief efforts on areas such as: charities that provide food services to children; support for technical, logistical and production programs, for example, the manufacture of face masks and ventilators; and expanded the beds available for treatment by working on the installation of field hospitals.

GLOBAL COVID-19 RELIEF INITIATIVES

NORTH AMERICA

8.4M
FACE MASKS DONATED

27
VEHICLES LOANED

5.5M
MEALS TO CHILDREN, SENIORS, AND OTHERS IN NEED

30K
FACE SHIELDS DONATED

EMEA

3K
VENTILATORS PRODUCED

2
PLANTS PRODUCED MASKS
(Producing 23M per day)

466
VEHICLES LOANED

LATAM

122K
MEALS DONATED

250
FACE SHIELDS DONATED

3
FIELD HOSPITALS

28.2K
LITERS OF WATER DONATED

13
VEHICLES LOANED

APAC

17M
FACE MASKS PRODUCED

€252K
SCHOLARSHIP PROGRAM TO MEDICAL SCHOOLS

2
VEHICLES LOANED

Examples of initiatives that illustrate the breadth of FCA's engagement of COVID-19 support activities include:

Masks and Face Shields

Masks and face shields were produced at the FCA plants in Mirafiori and Pratola Serra (Italy) with a daily production of about 23 million masks were produced, involving more than 600 workers. Another illustration of our support included the installation of a surgical mask factory within the FCA plant in Betim (Brazil). With the expertise of FCA's Manufacturing, Purchasing and Logistics Engineering areas and an investment of approximately €5.9 million, the production unit was installed in less than two months. Masks were distributed to employees and donated to health professionals in Minas Gerais, Pernambuco and São Paulo (Brazil).

Ventilators

In cooperation with Siare Engineering, the only company in Italy that produces these specific electrical medical devices, FCA built over 3,000 ventilators. Drawing upon FCA's manufacturing and management experience and World Class Manufacturing methods, production rose from about 8 to 80 units per day. A crucial strength of the cooperation was building solenoid valves – the 'beating heart' of a ventilator, at the FCA plant in Cento (Italy).

Contributions for field hospitals

FCA delivered three fully equipped field hospitals for COVID-19 patients in Minas Gerais and Pernambuco (Brazil), and in Córdoba (Argentina). FCA also donated medical equipment required for the treatment of COVID-19 patients, such as an X-ray machine, ventilators and various medical materials. Moreover, FCA donated Fiat Ducato vans adapted as ambulances to support the units' logistical needs.

In addition to masks, face shields, ventilators and field hospital contributions, FCA also provided a variety of donations:

- FCA participated in a network for the donation of food, water and hygiene kits. In Minas Gerais (Brazil), approximately 18 tons of food were donated in the state, ensuring the production of more than 40,000 meals over six months.
- In Pernambuco (Brazil), about a ton of food, more than 5,000 liters of mineral water and more than 1,500 hygiene kits were delivered.
- In São Paulo (Brazil), the company supported the distribution of over 200,000 personal hygiene products to 53 institutions in the metropolitan region.
- FCA worked in partnership with non-profit organizations and foundations to provide more than one million meals to school-age children in the communities around our manufacturing plants in Illinois, Indiana, Michigan and Ohio (U.S.). The program has been extended across North America, supporting similar relief efforts for kids who would normally access school meal services.
- FCA donated approximately €125 thousand to the Civil Protection in Italy, the government institution that provides support in situations of natural disasters and accidents.

Though FCA directed relief efforts to the COVID-19 pandemic, we continued to focus on communities and projects to support the improvement of the quality of life. Here are examples of the types of programs we participated in:

Árvore da Vida (Tree of Life)

Since 2004, FCA has supported a 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 of independence and empowerment of local residents. More than 23,300 people have benefited from the program since its inception. 2020 marked the 16th anniversary of this project - FCA's longest-standing community project in Brazil.

Neighborhood Impact Fund

As a result of the new FCA plant in Detroit (U.S.), FCA invested approximatel €600 thousand to Re-imagine Detroit's (U.S.) Eastside Communities to improve the quality of life for the people and neighborhoods. FCA contributed more than €325 thousand to the Impact Neighborhood Fund for improvement projects in the Chandler Park, West End and Riverbend neighborhoods. More than €230 thousand was also contributed to the Chandler Park Conservancy which enabled the nonprofit organization to start construction on Detroit's first community-based environmental education plaza.

Cooperárvore: Combining Entrepreneurship and Environmental Responsibility

The Brazilian program, formed in 2006 by women from the community surrounding the FCA plant in Betim (Brazil), focuses on local entrepreneurial activities to generate income. FCA donates fabric and seat belt remnants from the plant and Cooperárvore transforms them into fashion accessories and other items. Over the past 14 years, Cooperárvore has contributed to improving the quality of life for more than 70 households. Since it was created, Cooperárvore has repurposed about 41 tons of material. Along with the positive impact on the families involved, the program illustrates the benefits of a circular economy.

Products and Customers

Research and Development

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 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, launch of products in segments where we previously had no presence, implementation of various electrified powertrain applications, connectivity solutions and partnerships relating to the development of autonomous driving technologies.

KEY FCA FIGURES SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

6,082
PATENTS
AND APPLICATIONS REGISTERED

€3.9
BILLION
IN RESEARCH AND DEVELOPMENT

44
RESEARCH
AND DEVELOPMENT CENTERS

~18,000
FCA EMPLOYEES
DEVOTED TO RESEARCH AND DEVELOPMENT

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.

In 2020, the Group invested approximately €3.9 billion in research and development, representing around 4.5% of net revenues from industrial operations. Approximately 18,000 employees at 44 locations worldwide were involved in the Group's innovation activities, continuing to generate a significant intellectual property portfolio. At year-end 2020, FCA had 6,082 patents and patent applications, and 2,219 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.

The global innovation and product development activities are centrally coordinated by the Chief Technical 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.), Betim (Brazil) and Chennai (India).

COLLABORATIVE INNOVATION

FCA fosters innovation by encouraging creativity among our workforce. Internally, one method used to stimulate innovation is through training and workshops at our Innovation Spaces located around the world. The Innovation Teams support employees by teaching creative and unique approaches to unlock alternative thinking and generate new solutions. Among external groups, FCA collaborates 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.

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

FCA US is also 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. USCAR is involved, through collaboration, with the United States Automotive Materials Partnership LLC (USAMP) and the United States Advanced Battery Consortium LLC (USABC).

In addition, CRF, FCA's 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.


AUTONOMOUS DRIVING AND CONNECTIVITY

FCA takes into account the challenges and opportunities presented by the advances in autonomous driving and connectivity. 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. To that end, we continue to develop autonomous technologies and integrate them into our vehicles. The New Fiat 500 is not only fully-electric, but the first car in its segment to offer SAE Level 2 autonomous driving that includes intelligent Adaptive Cruise Control (iACC) and Lane Centering. Similarly, new for model year 2020, both the Alfa Romeo Giulia and Stelvio received significant technology updates, including new Advanced Driver Assist Systems (ADAS) featuring Level 2 autonomous driving capability. These new ADAS features provide a high level of automated driving for optimized balance between driver and machine.

FCA is pursuing a multi-partner strategy for developing advanced driver assistance and autonomous driving technologies, working with leaders in their respective industries. Our ongoing partnerships include other major technology players in autonomous driving. During 2020, FCA and Waymo further expanded their autonomous driving technology partnership and signed an exclusive agreement for light commercial vehicles. Waymo will work exclusively with FCA as its preferred partner for the development and testing of Class 1-3 light commercial vehicles to move goods for commercial delivery customers. The two companies will enable access to a broad range of global commercial customers. This partnership will allow FCA and Waymo to leverage their respective strengths and competencies to determine how to effectively use autonomy to address the specific needs of commercial customers given the rapid growth of goods delivery services. FCA has also selected Waymo as its exclusive, strategic partner for Level 4 autonomous technology across the FCA fleet and has started to work with Waymo to imagine future FCA products for the movement of people and goods operated by the Waymo Driver.

Along with the rise of autonomous driving technology, consumer expectations and demands related to connectivity within vehicles are also increasing. FCA's all-new Uconnect 5 uses a cloud-based platform to power connectivity, offer a full array of services and deliver an enhanced user experience. Features like the Uconnect Market in-vehicle commerce platform provide customers the ability to conveniently order food, find the nearest charging or gas station, or make dinner reservations, all from the comfort of their vehicle. Additional connectivity features include Firmware Over The Air (FOTA) software updates to periodically update the Uconnect 5 system for performance and quality improvements. With future growth in mind, the Uconnect 5 architecture is scalable across all FCA automotive brands and prepares for the integration of advanced technology. This new system features global capability for vehicle owners in more than 150 countries.

CYBERSECURITY

Cybersecurity is a high priority for FCA as connectivity and autonomous features roll out to more and more of our vehicles. FCA has 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 penetration testing. Cybersecurity is considered throughout a vehicle's life cycle, including during development, manufacturing and service. In addition, FCA is actively engaged in the development of international industry standards through participation in ISO and SAE International committees and in the development of best practice guidelines through active participation in the Automotive - Information Sharing and Analysis Center (Auto-ISAC). The Auto-ISAC also enhances the industry's ability to quickly learn of new threats and vulnerabilities, and to work in a collaborative manner on threat triage.

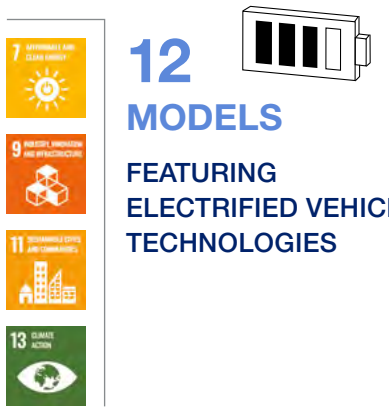
Efficient Powertrains and Technologies

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 advanced 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 FCA FIGURES SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

7
MODELS
LAUNCHED IN 2020 OFFERING ELECTRIFIED VEHICLE TECHNOLOGIES



12
MODELS
FEATURING ELECTRIFIED VEHICLE TECHNOLOGIES

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 includes developing more efficient engines and transmissions, and optimizing the vehicle/powertrain systems.

FCA's approach over the years has been to offer electrified propulsion systems (battery electric, plug-in hybrid electric, full hybrid and mild hybrid) in global product architectures. We have made significant investments in vehicle electrification development, and manufacturing facilities in North America and Italy, to support the growing demand for electrified vehicles.

ELECTRIFIED VEHICLE TECHNOLOGIES

FCA's suite of electrification technologies includes: 12-volt engine stop/start, 48-volt mild hybrid, high voltage plug-in hybrid, and full battery electric vehicles, all of which offer improvements in fuel economy and a reduction in CO_2 emissions. These technologies were developed at FCA's technical centers primarily in Auburn Hills (U.S.), Modena and Turin (Italy). Substantial work was also performed with suppliers and universities located around the globe.

Along with the existing fully electric variant of the Fiat 500 is the New Fiat 500 electric, launched in October 2020 and manufactured for the European market at the Mirafiori plant in Turin (Italy). The New Fiat 500 electric is offered in electric ranges of 320 km and 180 km. The Fiat Ducato electric van was unveiled in 2019, and is expected to be launched in early 2021 in Europe.

In 2020, a new 12-volt BSG (belt starter generator) 3 cylinder 1.0-liter naturally-aspirated engine launched in the Fiat 500, Fiat Panda and Lancia Ypsilon in Europe. The new Maserati Ghibli mild hybrid launched in September 2020, equipped with a 2.0-liter turbo with eBooster and 48-volt BSG, the first step in Maserati's electrification path.

In previous years, FCA launched three mild hybrid applications using BSG technology, which offered improvements in fuel economy and a reduction in CO_2 emissions. For example, the 48-volt mild hybrid technology is marketed as "eTorque" in Jeep Wrangler vehicles equipped with both the 2.0-liter turbo and 3.6-liter engine, as well as in the Ram 1500 5.7-liter and 3.6-liter applications. The eTorque system delivers significant gains in fuel economy by offering 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 new Jeep Compass 4xe and Jeep Renegade 4xe are the first Jeep models with plug-in hybrid electric technology to be available in Europe. The combination of a 1.3-liter turbocharged gasoline engine plus the electric motors provides performance and increases fuel efficiency and overall power. Both models feature a plug-in hybrid powertrain that integrates some of the most advanced technology, which combines enhanced performance (up to 240 horsepower), improved safety (four-wheel drive is always available) and low environmental impact (less than 50 g/km of CO_2 in hybrid mode).

With the new hybrid technology, Jeep Renegade 4xe and Compass 4xe further improve their benchmark off-road capability courtesy of greater torque offered by the combination between the two power sources. As a result of the new Jeep 4xe technology, traction to the rear axle is not provided by a prop shaft but through the dedicated electric motor. This allows the two axles to be separated and control the torque independently in a more effective way than solely a mechanical system. The Jeep brand's plug-in hybrid lineup is expected to be further expanded in early 2021 with the launch of the Jeep Wrangler 4xe for North America, Europe, and China markets, with EV charge port plugs tailored to specific regions. Overall, in 2020 FCA sold 6,339 zero-emission vehicles (ZEV), 16,077 plug-in hybrid vehicles and 303,728 hybrid vehicles in the North America, Europe and China markets.

FCA's strategy is not limited to simply offering electrified powertrains, but also to creating a new mobility system, ensuring customers can drive an electric vehicle on a daily basis in a sustainable way. To support this approach, the e-Mobility department aims to build strategic partnerships and create solutions for new mobility scenarios. During 2020, FCA expanded the list of collaborations and partnerships. For example, a partnership signed between FCA and Digital Charging Solutions GmbH, will provide Jeep 4xe or Fiat EV customers access to the digital service "My easy Charge," offering them a single provider for the largest charging network in the world. With just one app and one single card the charging solution will provide access to more than 130,000 charge points in 21 European countries. By signing up to the service, users will benefit from interacting with all the main operators, from the same platform.

ELECTRIFICATION TIMELINE

Fiat
500e
United States (California and Oregon)

Chrysler
PACIFICA HYBRID
North America

Jeep
WRANGLER 2.0L
North America

Fiat
PANDA
Europe

Fiat
NEW 500
Europe

Jeep
RENEGADE
Europe

Fiat
500
Europe

Lancia
YPSILON
Europe

Jeep
COMPASS
Europe

Maserati
GHIBLI HYBRID
Europe, China

2012 — 2016 — 2017 — 2018 — 2019 — 2020 — 2021

Chrysler
PACIFICA HYBRID
China

Jeep
COMMANDER
China

RAM
1500 5.7L AND 3.6L
North America

Jeep
WRANGLER 4xe
North America, Europe, China

Fiat Professional
E-DUCATO
Europe

Among others

mild hybrid plug-in hybrid (PHEV) battery electric (BEV)

In addition, FCA entered into a Memorandum of Understanding, aimed at creating a joint venture with ENGIE EPS, an Italian technology player in Energy Storage and e-Mobility, to become a leader in the European e-Mobility landscape. This will rely on FCA's financial resources and industrial footprint along with ENGIE EPS' technological know-how and intellectual property portfolio. The two Companies would offer solutions and services to make access to electric mobility easy and convenient. The signing of this Memorandum of Understanding originates from a three-year cooperation between the two companies. This approach allowed the implementation of projects, such as the introduction of the exclusive FCA easyWallbox, an easy-to-use plug-and-play charging unit, the recently launched Vehicle-to-Grid (V2G) pilot project and the innovative customer-oriented energy packages.

The newly created company would offer a full suite of products and solutions for EV customers such as residential, business and public charging infrastructures as well as green energy packages. It would enable customers to charge at home and at any public charging point across Europe with a subscription at a fixed monthly rate. The signing of the full set of agreements occurred in January 2021.

FCA launched its V2G pilot project at the Mirafiori plant in Turin (Italy). V2G technology enables vehicles to exchange energy with the power grid, making them a valuable resource for the power grid operated by Terna. It also represents an opportunity to optimize vehicles' operating costs for the customers' benefit, as well as contributing to a more sustainable electrical power delivery system. Experiments using this innovative technology have started with a bidirectional charging solution, which both charges the car and returns power to the grid. This technology can only work efficiently when the car and the charging infrastructure speak a common language, which is the focus of the pilot project. In addition, solar panels will be installed at the Mirafiori complex to produce electricity and contribute to a reduction in CO_2 emissions and supply sustainable energy to charge the electric models manufactured on site.

ENGINES

In 2020, FCA continued development of the global small and medium displacement gasoline engine families to improve fuel economy and GHG/CO_2 emissions, to better suit market needs. The global small engine (GSE) family includes three and four cylinder naturally aspirated and turbocharged versions. Each engine features a modular approach using a shared cylinder design, allowing for different engine configurations, displacements, efficiency and power outputs. These engines have been fully deployed to cover a large range of vehicle applications including 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 engines to be competitive with respect to fuel consumption, performance, weight, noise, vibration and harshness behavior.

In 2020, FCA also developed a new 3.0L V-6 gasoline engine adding turbulent jet ignition (TJI) technology, increasing power output. A 1.0L GSE three cylinder engine mild hybrid was launched in EMEA in 2020, while a high output supercharged version of the global medium engine T4 was developed to support the Maserati lineup.

TRANSMISSIONS AND DRIVELINE

In support of global fuel consumption and CO_2 requirements, FCA introduced two hybridized transmission systems. The 2020 Jeep Renegade 4xe and Jeep Compass 4xe feature two electric motors (engine mounted and replacing the rear axle) and a 6-speed automatic transmission to facilitate seamless transitions between conventional and EV driving modes. In the 2021 Jeep Wrangler 4xe, FCA introduced an 8-speed hybrid transmission with a compact electric motor with output up to 100 kilowatts. These products join the dedicated hybrid transmission (the eFlite) used in the Chrysler Pacifica plug-in hybrid and Jeep Commander plug-in hybrid produced by GAC Fiat Chrysler Automobiles Co., FCA's joint venture with Guangzhou Automobiles Group Co., Ltd in China.

Additionally, FCA continued to investigate technologies to improve the efficiency of our 8 and 9-speed transmissions with lower viscosity automatic transmission fluid, auxiliary electric oil pumps and advanced torque converter designs.

The 6-speed manual transmission for rear-wheel drive applications, introduced on the Jeep Gladiator and Jeep Wrangler, offers optimized gear ratio spread to allow the engine to operate more efficiently. Industrialization began in 2019 for enhanced and updated variants of FCA's small and midsize front-wheel drive manual transmissions, and high efficiency bearings have been incorporated in updates to midsize front-wheel drive manual transmissions.

THE NEW FIAT 500: ALL NEW, ALL ELECTRIC

The New Fiat 500, FCA's first "born electric" car, made its debut in 2020. The New 500 takes inspiration from the generations before it. The first generation offered freedom and mobility, establishing itself as an icon since 1957. Revived in 2007, the second generation introduced style and charm to the iconic city car. The third generation is more sustainable, connected and autonomous, adhering to increasingly stringent regulations and using its popularity to inspire change.

RANGE, CHARGING AND DRIVING

- Lithium-ion batteries with a capacity of 42 kWh
- Range of more than 180 km WLTP and up to 320 km WLTP, increasing to 460 km when driving in the city
- 85 kW fast charger system, only five minutes to build up a sufficient energy reserve to travel 30 miles
- easyWallbox, a home charging system that can be connected to a normal home outlet, included in the launch edition, can be managed easily via Bluetooth.

320 KM
RANGE
IN THE WLTP
CYCLE

New Fiat 500 Electric

FIRST CAR IN ITS SEGMENT TO OFFER LEVEL 2 AUTONOMOUS DRIVING

- Front-facing camera monitoring technology monitors all areas of the car, both longitudinally and laterally
- Intelligent Adaptive Cruise Control (iACC) system brakes or accelerates in response to cars, cyclists, pedestrians
- Lane Centering keeps the vehicle in the center of the lane
- Intelligent Speed Assist reads the speed limits and recommends applying them
- Urban Blind Spot uses ultrasonic sensors to monitor the blind spots and warn of any obstacles with a triangular warning light on the wing mirror
- Attention Assist, which provides warnings on the display, recommending that you stop and take a break when you are tired
- 360° sensors provide a drone view to avoid any obstacles when parking or performing complex maneuvers.

SUSTAINABLE MATERIALS

For many years, we have been promoting the use of recycled and renewable materials in new products.

An innovative and sustainable material is used to upholster the seats in the New Fiat 500, a fiber derived from recycled plastic partly collected from the ocean: SEAQUAL® YARN.

In addition, seats with vegan leather and floors mats made of recycled fibers are offered.

AWARDED DESIGN

RED DOT AWARD 2020

In the "Design Concept" category, one of the most coveted prizes in the world of industrial design

BEST DESIGN 2020 AWARD

Bestowed by the readers of the German magazine "Auto Motor und Sport"

CAR OF THE YEAR AND BEST SMALL ELECTRIC CAR

Awarded by "DrivingElectric" in the UK

CONVERTIBLE OF THE YEAR AND BEST SMALL ELECTRIC CAR FOR THE CITY

In the Car of the Year 2021 awards of the UK magazine "What Car?"

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 AND BIOMETHANE

FCA was historically among the EU-market leaders in compressed natural gas (CNG) propulsion. From 1997 to 2020, the Group's output of CNG-powered vehicles in Europe exceeded 780,000 vehicles. Natural gas is one of the most economical fuels available and a viable alternative to traditional fuels. It produces a lower level of regulated emissions and generates 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, which is produced by upgrading biogas, has the same properties and uses as 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.

BIOFUELS

In Europe, all vehicle engines are compatible with blends of up to 10% bioethanol in gasoline (E10), and up to 7% biodiesel in 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 2020, more than 370,000 FCA Flexfuel vehicles were registered in Brazil, accounting for approximately 86% of vehicles licensed by the Group in this market.

VEHICLE ENERGY DEMAND

FCA augments its powertrain innovations by integrating technologies that optimize the energy demand of our vehicles. Recent research and development focused on vehicle energy demand concentrated on reducing weight, aerodynamic drag, tire rolling resistance, brake drag torque, driveline parasitic losses, heating and air conditioning, and electrical loads. FCA also continued to refine technical solutions and systems aimed at improving energy use according to operating conditions, such as: active grille shutters; active front air dams; adjustable height suspension, which are automatically activated under certain operating conditions to improve aerodynamic drag and reduce fuel consumption and CO_2 emissions; variable speed fuel pumps; variable displacement and higher-efficiency air conditioning compressors; high efficiency, brushless electric motors for cooling fans, which improve friction and other vehicle operational power losses.

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.

IMPROVED AERODYNAMICS

Fuel economy can be improved by optimizing vehicle aerodynamic performance. From the earliest development stage, the aerodynamic performance of every vehicle profile is measured, optimized, tested and certified in the full-scale, aerodynamic wind tunnels of the Group. Selected FCA vehicles use active aerodynamic technologies that are automatically activated under certain operating conditions to improve aerodynamic drag and reduce fuel consumption and CO_2 emissions, such as active grille shutters, active front air dams, active aero front splitters, and adjustable height suspension.

WEIGHT REDUCTION

Reducing vehicle weight increases vehicle fuel efficiency, so FCA aims to design and produce lighter vehicles that meet the expectations of our customers. This includes adopting a number of weight reduction solutions, for example, the 2021 Jeep Wrangler features lightweight, high-strength aluminum doors, hinges, hood, fenders and windshield frame, as well as a magnesium swing gate, all of which help boost fuel economy.

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's 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 are intended to 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 reports to the Company's Chief Technical Compliance Officer.

FCA historically pursued compliance with fuel economy and greenhouse gas regulations in the markets where we operate through a cost effective combination of developing, manufacturing and selling vehicles with improved fuel economy and reduced emissions, purchasing compliance credits and paying regulatory penalties when imposed. The cost of each of these components of our strategy has increased and is expected to continue to increase in the future.

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. The National Highway Traffic Safety Administration (NHTSA) and the U.S. Environmental Protection Agency (EPA) regulate vehicle fuel economy. EPA and the California Air Resource Board (CARB) regulate greenhouse gas (GHG) emissions.

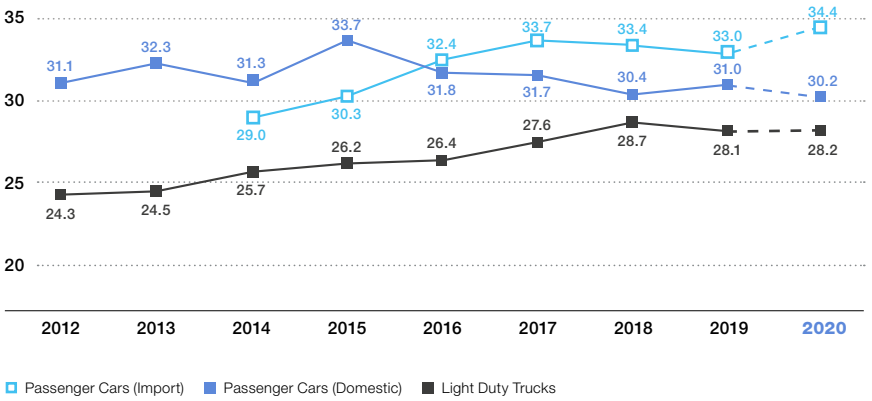
FCA is committed to improving vehicle fuel efficiency and set a target to achieve at least a five to 15% improvement in fuel economy for major renewals of FCA US vehicles compared with replaced vehicles/models. This target has been achieved, and in some cases surpassed, in the years since it was established. However, in 2020 there were no major renewals of FCA US vehicles.

Corporate Average Fuel Economy (CAFE) is the sales-weighted average fuel economy that a manufacturer's fleet must achieve. Data reported to NHTSA is provided by model year. The 2020 fuel economy data reported in the graph, is based on the most recent NHTSA required submission, which reflects mid-model year data for 2020.

Fuel Economy According to Corporate Average Fuel Economy Standards

[*SDGs 13*]

FCA mass-market vehicles sold in the U.S. (mpg)



Previous year data in the graph is adjusted to reflect final EPA/NHTSA reports. NHTSA's regulations set separate, independent standards for domestic and imported passenger cars, as well as for light duty trucks. Actual fleet performance is dependent on many factors, including the vehicles and technologies FCA offered, as well as the mix of vehicles consumers choose to buy.

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.

Although the U.S. policy is complex with three separate CO_2 emissions-related regulations, it 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 purchasers of up to U.S. $7,500 to incentivize demand and help to offset relatively low fuel prices and increasing consumer preference for SUVs and pickup trucks. This incentive is available on the first 200,000 qualifying electrified vehicles sold by each OEM and then begins to phase-out.

BRAZIL

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 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% by 2022 and to 55% by 2030. In addition, the Brazilian government and FCA worked very closely on research and development opportunities to further reduce CO_2 emissions through improvements to ethanol-fueled engines.

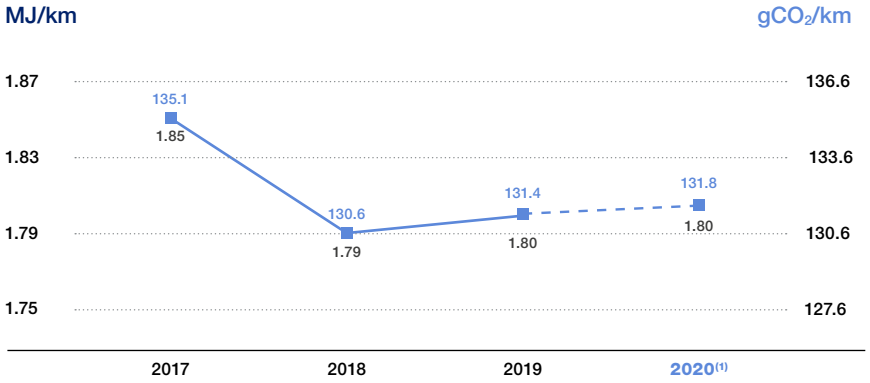
Rota 2030 is a long-term program (three cycles of five years each) that replaced the Inovar Auto Program and establishes mandatory requirements for vehicle commercialization in Brazil with commitments to: a Vehicle Labeling Program; achieve a minimum level of energy efficiency; achieve a minimum level of structural performance and driver assistance technologies.

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.

Average Energy Consumption and CO_2 Emissions

[*SDGs 13*]

FCA mass-market cars in Brazil (MJ/km and gCO_2 /km)



(1) 2020 data is an FCA estimate.

Brazilian consumers already widely use ethanol fuel, readily available in the current retail fuel market. In Brazil, gasoline contains 27% ethanol, diesel contains 12% biodiesel. Pure ethanol (E100) accounts for about 30% of sales by volume. More than 370,000 Flexfuel vehicles were registered in 2020, accounting for approximately 86% of the vehicles licensed by the Group in this market. FCA expected that Brazilian CO_2 fleet reduction targets would be met through 2025 with increased usage and efficiency of its ethanol based engines and without any high voltage electrification. FCA also participated in the government's vehicle fuel consumption monitoring program (PBEV - Brazilian Labeling Program Vehicle).

CHINA

The Chinese government has stated intentions to become the global leader in electrification, connectivity and autonomous driving in the next decade. The regulatory policies include requirements on corporate average fuel economy and new energy vehicle credit and incentives for new energy vehicles which are defined as battery electric, plug-in hybrid, or fuel cell vehicles.

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.

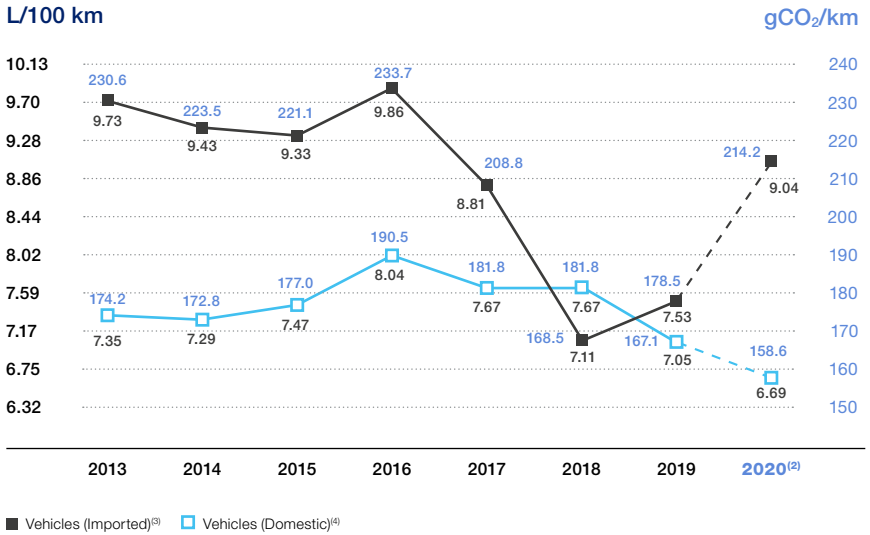
China 6 standards were released in 2016 and are required nationwide beginning in January 2021 with China 6a thresholds and by July 2023 with China 6b thresholds. China 6a and 6b have more stringent tailpipe emissions thresholds than Euro 6, implement on-board diagnostic (OBD) requirements similar to U.S. OBD and evaporative emissions control requirements, and add real driving emissions and U.S. on-board refueling vapor recovery requirements. Some regions within China implemented China 6b in 2019, such as Shanghai, Guangzhou, Shenzhen, Yangtze River Delta, Pearl River Delta, Chengdu, Chongqing and Tianjin. Beijing implemented China 6b at the beginning of 2020.

With respect to fuel economy in China, Phase IV of the Corporate Average Fuel Consumption (CAFC) was enforced and provided an industry target of 5.0 liters per 100 kilometers by 2020 under the NEDC cycle. 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 and beyond - it's compulsory for locally produced vehicles to meet Single Vehicle Fuel Consumption Limits. Additional provisions for Phase IV included meeting a quota for New Energy Vehicle (NEV) credit beginning in 2019. NEVs consist of plug-in electric hybrids, battery electric vehicles, and fuel cell vehicles, to which various multipliers apply when calculating credits.

Average Fuel Consumption and CO_2 Emissions

[*SDGs 13*]

FCA mass-market cars in China (L/100 km and gCO_2 /km)



(2) 2020 data is an FCA estimate.
(3) Include Jeep, Chrysler and, from 2017, Alfa Romeo brand vehicles.
(4) Include those produced by the GAC-FCA joint venture.

Beginning in 2021, China will adopt WLTP for conventional and plug-in hybrid electric vehicles and a unique Chinese test cycle will be applicable to battery electric vehicles in the same year. The 2021-2023 Phase V CAFC and NEV Credit rules have been released by the Chinese government with increasing stringency reaching a target of 4.6 liters per 100 kilometers by 2025. The final management rules for 2024-2025 CAFC and NEV Credits are expected to be issued at a later date.

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. Non-compliance with the CAFC target in these administrative rules can be offset through carry-forward CAFC credits, transfer of CAFC credits within affiliates, the OEMs use of its own NEV credits, or the purchase of NEV credits. Non-compliance with the NEV target can only be offset by the purchase of NEV credits. The homologation of new products that exceed CAFC targets will be suspended for OEMs that are unable to offset CAFC and/or NEV deficits until the deficits are offset.

The Group has implemented fuel efficient technical solutions such as engine stop/start technology. The Jeep Wrangler and locally-produced Jeep Cherokee, Jeep Compass, Jeep Grand Commander and Jeep Renegade have engine stop/start as a standard configuration. Additionally, the Jeep Commander plug-in hybrid expanded the NEV portfolio that FCA offered in the region.

EUROPEAN UNION

Europe represents the most challenging combination of regulatory stringency and consumer price sensitivity. The EU drove a significant 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.

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 27 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 and 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 are effective for all new passenger cars and light commercial vehicles. In addition to Worldwide harmonized Light vehicles Test Procedure (WLTP), the new Real Driving Emissions (RDE) test procedure to directly assess the regulated emissions of light duty vehicles under real driving conditions is effective.

Each automobile manufacturer must meet a specific sales-weighted fleet average target for CO_2 emissions as related to vehicle weight. This regulation 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 required 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).

A new regulatory test procedure for measuring CO_2 emissions and fuel consumption of light duty vehicles, the WLTP, entered into force in September 2018 for all registered passenger cars and in September 2019 for all registered LCVs. The WLTP is expected to provide CO_2 emissions and fuel consumption values that are more representative of real driving conditions. In April 2019, the Regulation (EU) 2019/631 which sets new CO_2 emissions targets starting from 2025 and 2030 was adopted and requires a 15% reduction from 2021 levels in 2025 (both passenger cars and LCV), a 37.5% reduction for passenger cars and a 31% reduction for LCV in 2030 from 2021 levels.

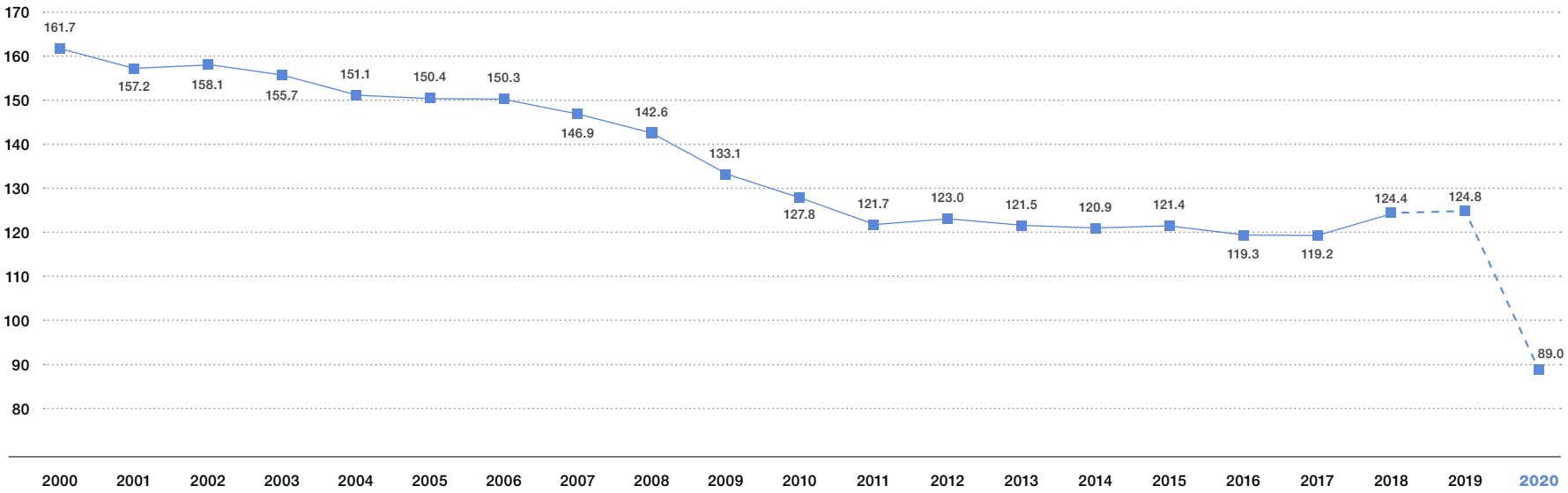
In the European Union, FCA set a target to achieve a 40% reduction in CO_2 emissions by 2020 compared with the baseline of 2006 for mass-market cars sold in Europe.

FCA's CO_2 emissions data for 2020 is not yet available under the process required by Regulation (EU) No. 2019/631. The average CO_2 emissions of the Group's mass-market cars sold in EU during 2020 is estimated to be 89 g/km. This represents a 41% decrease compared with 2006 (the benchmark year used in EU regulations to set the 2012-2019 and 2020 targets), and a 45% reduction compared with 2000, which was the first year the EU Commission monitored average emissions.

FCA adopted a multi-faceted approach to move toward the 95 gCO_2/km target by leveraging conventional technologies, high voltage electrification, pooling arrangement contribution and compliance exemption for 2020.

Average CO_2 Emissions for Newly-Registered Passenger Cars [*SDGs 13*]

FCA mass-market cars in the European Union (gCO_2/km)[5]



[5] Source: 2000-2018 EU Commission data; 2019 and 2020 FCA estimate. The average CO_2 emissions in 2019 and 2020 include pooling arrangement contribution in order to meet the obligations under Art. 4 of Regulation (EC) 443/2009 and Art. 4 of Regulation (EU) 2019/631. 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.

REGULATORY ACTIONS

On January 10, 2019, we announced that FCA US had reached final settlements on civil environmental and consumer claims with the U.S. Environmental Protection Agency (EPA), the Civil Division of the U.S. Department of Justice (DoJ), the California Air Resources Board, the State of California, 49 other States and U.S. Customs and Border Protection, for which €748 million was accrued during the year ended December 31, 2018. Approximately €350 million of the accrual was related to civil penalties to resolve differences over diesel emissions requirements. A portion of the accrual was attributable to settlement of a putative class action on behalf of consumers in connection with which FCA US agreed to pay an average of $2,800 per vehicle to eligible customers affected by the recall. That settlement received final court approval on May 3, 2019. Nevertheless, we continue to defend individual claims from approximately 3,200 consumers that have exercised their right to opt out of the class action settlement and pursue their own individual claims against us (the Opt-Out Litigation). We have engaged in further discovery in the Opt-Out Litigation and participated in court-sponsored settlement conferences, but have reached settlement agreements with less than 100 of these remaining plaintiffs.

In the U.S., we remain subject to a diesel emissions-related investigation by the DoJ, Criminal Division. In September 2019, the DoJ filed criminal charges against an employee of FCA US for, among other things, fraud, conspiracy, false statements and violations of the Clean Air Act primarily in connection with efforts to obtain regulatory approval of the vehicles that were the subject of the civil settlements described above. We have continued discussions with the DoJ, Criminal Division to determine whether we can reach an appropriate resolution of their investigation as it relates to FCA US, which may involve the payment of penalties and other non-financial sanctions. While the outcome of these discussions is uncertain and we cannot predict whether or when any settlement may be reached with the DoJ, Criminal Division, or the ultimate outcome of its investigation, we accrued approximately €200 million during the three months ended September 30, 2020 as our best estimate of probable loss with regard to matters under discussion. We also remain subject to a number of related private lawsuits (the Non Opt-Out Litigation). In September 2020, we settled the diesel emissions-related investigation with the U.S. Securities and Exchange Commission for an amount that was not material to the Group.

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 in connection with their review of several of our vehicles.

We also initially responded to inquiries from the German authority, the Kraftfahrt-Bundesamt (KBA), regarding emissions test results for our vehicles, and 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 were held under European Commission (EC) rules, between the MIT and the German Ministry of Transport and Digital Infrastructure, 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 properly performed.

In December 2019, the MIT notified us that the Dutch Ministry of Infrastructure and Water Management (I&W) had been communicating with the MIT regarding certain irregularities allegedly found by the RDW and the Dutch Center of Research TNO in the emission levels of certain Jeep Grand Cherokee Euro 5 models and a vehicle model of another OEM that contains a Euro 6 diesel engine supplied by us. In January 2020, the Dutch Parliament published a letter from the I&W summarizing the conclusions of the RDW regarding those vehicles and engines and indicating an intention to order a recall and report their findings to the Public Prosecutor, the EC and other Member States. We engaged with the RDW to present our positions and cooperate to reach an appropriate resolution of this matter. We proposed certain updates to the relevant vehicles that have been tested and approved by the RDW and are now being implemented. Nevertheless, this matter is still pending. 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 July 2020, unannounced inspections took place at several of FCA's sites in Germany, Italy and the UK at the initiative of the Public Prosecutors of Frankfurt am Main and of Turin, as part of their investigations of potential violations of diesel emissions regulations and consumer protection laws. We are cooperating with the investigations. Several FCA companies and its Dutch dealers were recently served with a purported class action filed in the Netherlands by a Dutch foundation seeking monetary damages and vehicle buybacks in connection with alleged emissions non-compliance of certain FCA E5 and E6 diesel vehicles. A similar claim has been announced in the UK. We are also defending a number of individual consumer claims alleging emissions non-compliance of certain of our vehicles in Germany.

In December 2018, the Korean Ministry of Environment (MOE) announced its determination that approximately 2,400 FCA vehicles imported into 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. In May 2019, the MOE revoked certification of the above-referenced vehicles and announced an administrative fine for an amount not material to the Group. FCA appealed the MOE's decision. Our subsidiary in Seoul, Korea is also cooperating with local criminal authorities in connection with their review of this matter, with the Korean Fair Trade Commission regarding a purported breach of the Act on Fair Labeling and Advertisement in connection with the subject vehicles and with the MOE in connection with their review of other legacy FCA vehicles.

Sustainable Design

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 FCA FIGURES SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

31 FULL VEHICLE LCA ANALYSES
COMPLETED SINCE 2014

3,350+
REMANUFACTURED PARTS OFFERED GLOBALLY

Sustainable Design

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 2020, 16 new applications of sustainable materials were approved for use in FCA vehicles. These materials contain recycled or bio/renewable content, or low emissions polymers. Newly approved applications include floor console panels, storage bins and wire channels containing recycled content, and grades of synthetic suede with recycled and bio/renewable content. In addition, the seats of the New Fiat 500 electric offer material with vegan leather and SEAQUAL® YARN, a fiber derived from recycled plastic partly collected from the ocean and floor mats made of recycled fibers.

FCA has 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 Europe 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 45% recycled plastic by weight for certain European 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 focuses on SoCs identified in globally regulated substance restrictions like the EU's REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulation and heavy metals ban. This level of awareness and commitment to compliance is also adopted by FCA suppliers with whom we collaborate closely in identifying technically equivalent and environmentally sustainable substitutes for substances that are expected to be restricted in the near future.

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. Collectively, FCA has completed 31 full vehicle LCA analyses since 2014. In 2020, Life Cycle Assessments completed include:

- New Fiat 500 electric HB-long range vs Fiat 500 gasoline 1.2 69 hp
- Fiat Strada Hard Working CC 1.4 8V Flex vs Nova Fiat Strada Endurance Cabine Plus 1.4 8V Flex and Nova Fiat Strada Freedom Cabine Plus 1.3 8V Flex
- Jeep Renegade PHEV 190 hp vs Jeep Renegade gasoline 180 hp

For instance, the main results from the LCA analysis of the New Fiat 500 electric vs Fiat 500 gasoline show a higher Global Warming Potential for the production of the New Fiat 500 electric due to the Li-ion battery materials and manufacturing, but an important improvement during the use phase, which depends on the electricity grid mix.

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 legislation regulates 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. EU Directive 2000/53 addresses the principle of extended producer responsibility, which stipulates that automakers must manage the end of life of the products they place on the market. FCA addresses this EU Directive through the design of recyclable and recoverable vehicles, management of the end-of-life vehicles free take-back networks, sharing of dismantling information and continuous efforts to achieve the reuse/recycling/recovery targets in EU countries. In addition, FCA participates in the review process of end-of-life vehicle (ELV) and end-of-life battery policies, supporting the development of new standards or regulations, such as vehicle and battery recycling.

In 2020, 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 Vehicle Recycling Laboratory 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 is exploring solutions to extend the life cycle of lithium-ion batteries. We are partnering with several suppliers on programs that aim to collect high-voltage lithium-ion batteries and recycle or repurpose them in non-automotive applications. 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 starters, alternators, brake calipers, electronic control modules, high voltage battery packs, torque converters, steering and suspensions, as well as engine and transmission product categories. The number of product offerings is more than 3,350 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

Vehicle safety and quality, which are key elements of the overall customer experience, are among the most material topics for FCA and our stakeholders. 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 FCA FIGURES SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

~45.5 MILLION

CONTACTS HANDLED WORLDWIDE BY CUSTOMER CONTACT CENTERS

29 LANGUAGES

SPOKEN AT CUSTOMER CONTACT CENTERS

6 MODELS

ACHIEVED NCAP 5-STAR RATINGS

8 MODELS

IN THEIR RESPECTIVE MARKETS, ACHIEVED FIRST QUARTILE PLACEMENT BASED ON EXTERNAL RATING AGENCIES

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. FCA has a program which allows suppliers, dealers and other stakeholders, including FCA employees, to report concerns related to vehicle safety, emissions or regulatory compliance. The program works through the existing Ethics Helpline whistleblowing system to allow for the anonymous reporting of vehicle-specific issues. FCA employees are required under our Code of Conduct to report such issues. In addition, a Technical Compliance Committee has global oversight of the program and oversees the issues reported through the program and provides appropriate follow-up and feedback to inquiries.

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 different regulatory environments.

FCA believes that the automotive industry should adopt a systematic approach to ensure that vehicle safety remains a fundamental corporate value that helps to protect drivers, passengers, the environment, and our communities, in a socially responsible and sustainable manner. Our internal Vehicle Safety Compliance Program applies 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 methodologies to ensure that potential vehicle safety risks are identified, investigated, analyzed, and incorporated into specific initiatives and procedures within the Vehicle Safety and Regulatory Compliance group.

Our suppliers in North America 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. Building upon this work, a collaboration with the Automotive Industry Action Group and other automakers standardized this training and made it available throughout the automotive industry.

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 for all of our models 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 2020, more than 4,300 tests, including full-scale crash tests, sled and component tests, were reviewed globally to understand performance to vehicle safety standards for vehicle occupants, as well as pedestrians and cyclists. In addition, more than 1,000 real accidents were reviewed at the Pomigliano Technical Center (Italy).

FCA also actively participates in national and international groups and projects focused on areas of occupant and vulnerable road user 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 and has supported the EU project MeBeSafe. In the U.S., FCA collaborates with other automakers through groups like the U.S. Council for Automotive Research, to identify technical issues and conduct research related to vehicle safety.

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 support drivers and passengers' ability to safely interact with their vehicle 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, Intelligent Speed Adapter (ISA) 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 alerting them to certain potentially hazardous situations or assisting them in mitigating the

risk posed by certain types of identified hazards. 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 appropriate control. For example, Pedestrian Automatic Emergency Braking (PAEB) detects and helps prevent collisions with pedestrians. If the system detects a pedestrian and determines a collision appears imminent it will, if the driver does not respond accordingly, activate the vehicle's brakes. In certain conditions, the system is capable of bringing the vehicle to a stop.

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 specific types of crashes as well as a vehicle's ability to avoid certain crashes through the use of technology. Over the years, FCA vehicles have earned top ratings based on performance during assessments. The 2021 Chrysler Pacifica, Chrysler Voyager, Dodge Challenger, Dodge Charger, Jeep Grand Cherokee 4x4 and Ram 1500 achieved the 5-Star overall safety rating in the U.S. New Car Assessment Program (NCAP) conducted by the National Highway Traffic Safety Administration (NHTSA). In addition, the Insurance Institute for Highway Safety (IIHS) named the 2021 Ram 1500 Crew Cab a Top Safety Pick rated vehicle. Among the markets where we operate, the percentage of FCA models rated by NCAP programs with an overall 5-star safety rating is approximately:

- U.S.: 43%
- EU: 19%
- Latin America: 33%
- Australia and New Zealand: 83%
- China: 100%

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.

RECALL CAMPAIGNS

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 advanced data analytics 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 2020, there were 77 recall campaigns involving 3,323,749 initial recall notices for FCA vehicles worldwide. The three largest recall campaigns by total number of vehicles are:

- Campaign on approximately 708,000 vehicles to help ensure the integrity of an electrical connection. Feedback from FCA dealers led to an FCA investigation that discovered silicon deposits on the contact points of certain fuel pump relays may interrupt electrical current and prevent engine start-up and/or contribute to stall. Affected are certain 2011-13 Dodge Durango and Jeep Grand Cherokee SUVs.
- Campaign on approximately 555,000 vehicles to tighten a windshield-wiper fastener. A warranty data review prompted an FCA investigation that discovered a fastener intended to connect windshield-wiper arms on certain vehicles, may not be sufficiently secured. If so, intended wiper-arm movement may be compromised, potentially contributing to poor visibility. Affected are certain 2019 and 2020 Jeep Compass SUVs, and certain 2019 and 2020 Ram 1500 Classic and Ram 1500 pickups, produced before March 3 of 2020.
- Campaign on approximately 252,000 vehicles to replace a brake switch that may not illuminate the brake lights when the pedal is pressed. Electrical loads on the brake switch circuit may be higher than brake switch load specifications and may lead to contact wear and malfunction. Affected are certain 2016 to 2020 Fiat Mobi hatchbacks.

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. Respectively, FCA reviews 100% of NHTSA Vehicle Owner Questionnaire complaints filed on FCA vehicles. Through the Leave No Doubt program, FCA also investigates all submissions that have a potential vehicle safety concern.

In addition, the Check To Protect public awareness campaign, led by the National Safety Council (NSC) and FCA US, is intended 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. 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.

Based on external rating agency results, during 2020, FCA brands as a whole in the U.S. and Brazil achieved first quartile placement based on customer feedback. As part of our commitment to vehicle quality, the following brands achieved first quartile placement in their respective markets:

- Dodge - North America
- Ram - North America
- Fiat - EMEA
- Lancia - EMEA
- Jeep - LATAM
- Jeep - APAC

The following models achieved first quartile placement in their respective markets:

- Dodge Durango - North America
- Fiat Panda - EMEA
- Lancia Ypsilon - EMEA
- Fiat Mobi - LATAM
- Fiat Strada - LATAM
- Jeep Renegade - LATAM
- Jeep Compass - LATAM
- Jeep Compass - APAC

Due to COVID-19, the ability to gather customer feedback impacted the availability of some regional results.

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 quality issues earlier in the vehicle development process and makes implementing solutions more cost effective.

At times, differences in customer expectations 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 repository to help expedite quality issue resolution across functional groups and regions. The GIM system includes the Product Development phase, making issue identification and tracking available earlier to team members in all regions. Benefits of the GIM system extend beyond our internal resources by providing our supply chain access to view and address quality supplier-related issues.

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 quality 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 IATF 16949 certified.

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 the U.S.

In addition to monitoring throughout the product development process, the Connected Customer Fleet (CCF) program allows selected customers, in compliance with applicable privacy regulations, to participate in an online community to provide earlier and more extensive vehicle feedback to FCA than traditional methods. Feedback from customers is being used to change design standards and targets, and 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. Measures have been implemented over time to improve processes, customer service standards and service quality for the Group's dealer network, the vast majority 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 and a recommendation index to track customer satisfaction. These figures represent the net percentage of customers who are likely to recommend the dealer to a friend or family member based on their sales or service experience and a net promoter score, respectively. In the U.S. and in the EMEA region's major markets, the sales and service advocacy and recommendation results in 2020 increased ranging from nearly one percentage point to approximately five percentage points compared with 2019.

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.

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.

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, including electrification; emission control systems; and main 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.

EXPANDING RETAIL OPTIONS

To overcome the face-to-face challenges of 2020 and focus on the safety of our customers and dealers, we launched a variety of options across markets to virtually connect customers to our dealer network. As an example, in some European countries, the CAR@HOME system created a link between potential customers and dealers through the use of video conferencing. The virtual face-to-face meetings enabled customers and dealers to work together to configure new vehicles, evaluate trade-ins and send finance offers. Taking it a step further, the CAR@HOME initiative evolved into a new platform called FCA e-Shop.
The platform allows customers to select features for their chosen vehicle and ultimately order the vehicle and other services, including financing options, in only a few steps. The system sends the information to the relevant dealership and the customer is contacted by a sales consultant to finalize the purchase process.
The project involves all FCA brands and the sales network in Italy and is expected to be extended to other European countries.

In addition to new e-commerce solutions, FCA expanded on the success of its Customer First Award for Excellence in North America by unveiling the program at dealers in Europe. Customer First offered easy access to feedback, opinions and experiences from previous visitors to help dealers improve customer experience.

ELECTRIFICATION AND TRAINING

One of the central training topics for FCA is electrification of our products. FCA offers training to support the launch of electrified vehicles and improve the technical skills and knowledge of the dealer network. In 2020, more than 60,000 sales and after-sales dealer personnel in EMEA and North America were involved in training programs focused on e-Mobility and electrified technologies. These programs offered dealer personnel online introductory courses, classroom training, live activities and test drives of electrified vehicles.

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. Since the start of the program in 2015, more than 5,600 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 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 2020 there were 97 Mopar CAP and CAP LOCAL schools, supporting approximately 7,500 active students.
- TechPro² 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. In 2020, the training focused on electrification technology and driving assistance systems. 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 2020, approximately 1,200 students in Italy were enrolled in TechPro² with about 31% of them within the FCA dealer network. Around the world the program is provided 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 information. FCA offers innovative features and solutions to support market expectations that 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, Instagram, YouTube, and automotive blogs. Owner sites are available within markets to provide our customers with information about vehicle maintenance and services, along with accessories and merchandise.

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. Due to COVID-19, FCA expanded remote working options in 2020 for Customer Contact Center (CCC) agents to ensure uninterrupted support for our customers. CCCs, together with dealers, are among the primary channels of communication between customers and the Company. There are 25 CCCs worldwide, with around 1,360 agents and supervisors who handled approximately 45.5 million customer contacts in 2020, 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 an efficient manner. They provide multilingual support with a strong focus on employing native speakers of 29 languages. FCA believes that skilled, knowledgeable and motivated agents are essential for a high level of customer satisfaction. For this reason, in 2020 the Group provided over 48,000 hours of agent training on new products, behaviors and processes, as well as systems and new procedures.

Regional Customer Care Support

[*SDGs 9*]

NORTH AMERICA

761 PERSONNEL

3 LANGUAGES SPOKEN

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

LATAM

148 PERSONNEL

2 LANGUAGES SPOKEN

Valencia, Venezuela
Belo Horizonte, Brazil
Cordoba, Argentina

EMEA

427 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

24 PERSONNEL

5 LANGUAGES SPOKEN

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

FCA 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. To promote the ethical practice of communication in advertising within the Group, the FCA Advertising, Marketing & Communication Principles include standards of honesty, truth, accuracy, fairness and propriety in communication and provide the criteria for sustainable communication.

With our global focus, the Group sells our products and services to consumers in more than 130 countries worldwide, and is subject to numerous laws and regulations governing product information.

CUSTOMER MOBILITY

FCA focuses our efforts on the entire customer experience through both traditional products and services, and new mobility solutions that fit their changing needs. Leasys, the mobility service company of FCA Bank – the equally held joint venture between FCA and Crédit Agricole – expanded its offerings to meet new customer requirements based on the subscription economy trend. Some existing mobility services include Leasys Miles, a pay-per use service that allows customers to pay only for the mileage they drive; and Leasys CarCloud, the first car subscription service in Italy. CarCloud allows clients to pick up and drop off vehicles in different cities and choose the most suitable vehicle for their needs among the models offered in their subscription package. During 2020, the mobility services were expanded with additional features and new programs:

- CarCloud: introduced additional models as part of the Leasys subscription offerings, such as the all-new Jeep Compass 4xe Plug-in Hybrid, Jeep Renegade 4xe Plug-in Hybrid, Maserati Ghibli and Levante, the New Fiat 500 electric and Fiat Professional vans – Fiorino and Doblò. These expanded offerings support both business and leisure needs of our customers, based on the package they select.
- Leasys GO!: a fleet of New Fiat 500 electric vehicles was introduced as a free-floating car sharing service in Turin (Italy) and initially tested by the Group's employees. The service is expected to be introduced in other Italian and European cities.
- My Dream Garage: available exclusively to buyers of New Fiat 500 electric vehicles, this monthly subscription service offers a large selection of FCA's nameplates. Customers can access the virtual garage and reserve vehicles ranging from a New 500 to Maserati Levante, offering 60 days of flexible mobility per year.

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 current vehicles such as Fiat, Lancia, Alfa Romeo, Abarth, Jeep and Fiat Professional brand vehicles. In 2020, there were more than 35,000 customized vehicles sold through the Autonomy program to customers in Europe and Brazil. Revenues from the sale of these vehicles in Italy totaled more than €70 million in 2020. In addition, about 650 people benefited during the year from the services offered through the Autonomy program's 17 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 provides financial assistance up to €893 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 20 vehicle modifiers, who operate more than 600 sales and service outlets across the U.S. Since 2010, the DriveAbility program has provided more than 44,000 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 on our vehicles to benefit special mobility needs.

Production and Responsible Sourcing

Production

FCA's environmental stewardship endeavors to achieve objectives on two primary 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 at our manufacturing operations.

KEY FCA FIGURES SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

-49%
TOTAL WATER CONSUMPTION
VS 2010

-26%
TOTAL CO_2 EMISSIONS
VS 2010

-61%
TOTAL WASTE GENERATION
VS 2010

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.

2020 was a year with unique challenges across the globe. FCA's environmental manufacturing performance and achievement of some targets were negatively impacted mainly due to the effects of the COVID-19 pandemic which caused the temporary halt of the production at FCA's plants across the various regions.

Environmental protection and compliance 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. FCA's EMS consists of a system of methodologies and processes which, among other things, are designed to prevent or reduce the environmental impact of the Group's manufacturing activities. At the end of 2020, 95 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.

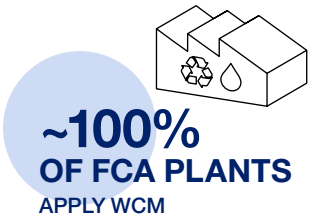
FCA's Energy Management System (EnMS) focuses on methodologies and processes related to the optimization of energy use. At the end of 2020, the majority of Group plants were ISO 50001 certified, representing approximately 99% of the Group's total energy consumption.

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

As a key contributor to our environmental stewardship, the WCM program was adopted about 15 years ago and has been implemented at the vast majority of FCA plants worldwide. WCM is an approach that applies to all areas of FCA's manufacturing processes and facilities, and has 10 technical pillars that focus on a specific set of requirements applicable to each pillar's topic, including an environmental protection and compliance pillar. This WCM environmental pillar 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, for example, zero accidents, zero waste, zero breakdowns and zero inventories.

At year-end 2020, 93 FCA plants have implemented WCM, which covers more than 99% of our plants: 28 have achieved a WCM bronze level of implementation and performance, 34 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, points are awarded for each of the 10 technical pillars, as well as 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 and contributions of our 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 2020, FCA plant employees submitted more than 1.5 million suggestions, representing an average of 14 proposals per employee. Best practice projects are shared among all plants, with approximately 25,500 approved and applied across the Group's plants throughout 2020.



About 5,500 environmental projects were started in 2020 with an estimated cost savings of more than €44 million.
In addition, we are expanding the application of WCM tools and methods to non-production business processes in order that those operations benefit from the WCM system. For example, 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 >

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 2020, energy consumption was lower than both the previous year and the baseline year in absolute terms.

At mass-market vehicle assembly and stamping plants, the energy consumption normalized per vehicle produced increased compared with last year (at 6.8 GJ), but still recorded a decrease of 8% compared with 2010 (from 7.3 to 6.8 GJ).

During the year, the Group rolled out more than 4,200 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 1,200 TJ and approximately €37 million, in addition to avoiding approximately 100,000 tons of CO_2 emissions.

Direct and Indirect Energy Consumption

[*SDGs 12*]

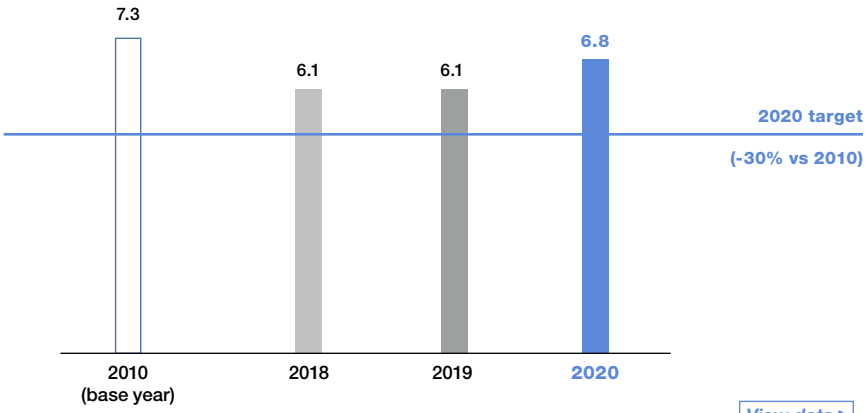
FCA worldwide (TJ)

	2020	2019	2018	2010
Direct energy consumption	16,472	19,895	21,213	19,706
Indirect energy consumption	19,103	22,005	24,132	25,131
Total energy consumption	**35,575**	**41,900**	**45,345**	**44,836**

Direct and Indirect Energy Consumption per Vehicle Produced

[*SDGs 12*]

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



View data >

MANUFACTURING CO_2 EMISSIONS

In 2020, total CO_2 emissions from manufacturing processes at our plants worldwide decreased by 16% compared with 2019 to 2.9 million tons. This achievement was below the 2010 baseline level on both a total and per vehicle produced basis.

Direct and Indirect CO_2 Emissions

[*SDGs 12*]

FCA worldwide (thousands of tons of CO_2)

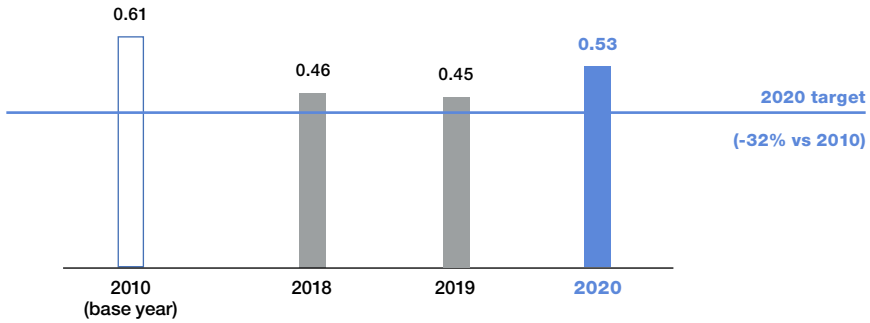
	2020	2019	2018	2010
Direct emissions	878	1,058	1,129	1,075
Indirect emissions	2,036	2,359	2,609	2,882
Total CO_2 emissions	**2,913**	**3,417**	**3,738**	**3,958**

Emissions of CO_2 per vehicle produced at mass-market vehicle assembly and stamping plants decreased 13.5% in the last 10 years, falling from 0.61 tons per vehicle produced in 2010 to 0.53 tons per vehicle produced in 2020.

Direct and Indirect CO_2 Emissions per Vehicle Produced

[*SDGs 12, 13*]

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



In 2020, 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. 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 16% of total electricity consumption in 2020.

View data >

FCA LATAM CARBON NEUTRAL PROGRAM

The FCA LATAM Carbon Neutral Program aims to measure, manage, reduce and offset the annual GHG emissions produced from the daily activities of regional plants. For this reason, a third-party verified emission inventory was developed for all manufacturing locations and parts distribution centers in LATAM. In 2017, the assembly plant in Goiana (Brazil) was Latin America's first auto plant to have neutralized its emissions and to obtain the Carbon Neutral certificate. The plant's neutral impact was the result of 100% renewable electricity and cleaner fuels use, as well as the emissions offset with carbon credits. In addition, other actions included planting seedlings, recovering environmentally degraded areas and raising awareness of suppliers.

In 2020, the achievement in Goiana was extended by becoming the first carbon neutral multi-plant industrial complex, which includes 16 suppliers in the complex's Supplier Park. In addition, the following also obtained Carbon Neutral certifications in Brazil: Campo Largo and Betim engine plants; component plant in Jaboatão dos Guararapes; and part distribution centers in Betim and Hortolândia. In 2020, two other component production plants in Goiana and Contagem became Carbon Neutral, along with some regional offices in both Brazil and Chile. As a result, 75% of FCA's plants in LATAM are Carbon Neutral, as they buy renewable energy and compensate the residual carbon emissions.

WATER MANAGEMENT

FCA aims to responsibly manage its 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 reduce water use by increasing the recycling and reuse of water, and we adopt technologies to 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 different risk assessment method in 2016 to evaluate our use of water in water stressed areas and improved the assessment during 2019 to better align to GRI Standards. The scenario analyses conducted identified 34 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, in 2020 FCA reduced total water withdrawal at our plants worldwide by 49% compared with 2010 (from 30.6 to 15.8 million m³). The reduction in the quantity of water withdrawn led to an overall savings of about €2.3 million in 2020. A 99% recycling water index resulted in 1.8 billion m³ of water saved.

1.8
BILLION M³
WATER SAVED

In 2020, water withdrawal per vehicle produced at mass-market vehicle assembly and stamping plants was approximately 36% lower than 2010, almost achieving the target set for 2020.

In addition to minimum standards of legal requirements, FCA aims to discharge its wastewater with regulated constituents at levels well below legal limits, and regularly measures and analyzes the quality of wastewater to provide a comprehensive view of FCA's overall impact on water. Of 113 total plants (including four joint ventures) active in 2020, all were serviced by either an internal or external wastewater treatment system. No significant spills were reported.

Water Withdrawal and Discharge

[*SDGs 12*]

FCA worldwide (millions of m³)

	2020	2019	2018	2010
Water withdrawal	15.8	18.8	21.7	30.6
Water discharge	10.5	13.3	17.2	20.4
Water consumption	**5.2**	**5.5**	**4.5**	**10.2**

Water Recycling Index

[*SDGs 12*]

FCA worldwide (millions of m³)

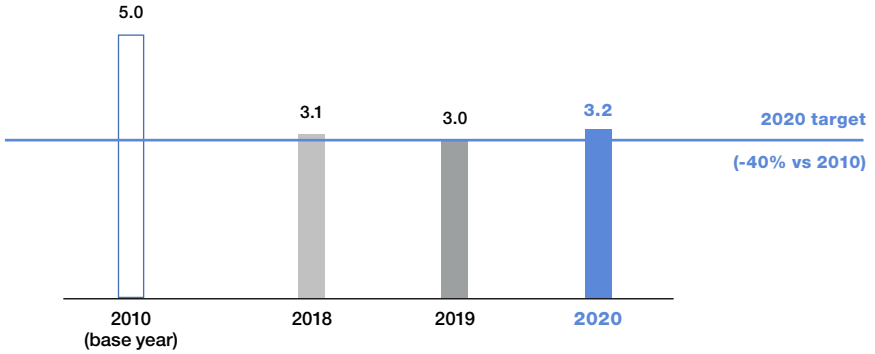
	2020	2019	2018
Total water requirement	1,766.0	2,220.1	2,340.4
of which covered by recycling	1,750.3	2,201.3	2,318.7
of which water withdrawal	15.8	18.8	21.7
Recycling index(1)	**99%**	**99%**	**99%**

(1) 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

[*SDGs 12*]

Mass-market vehicle assembly and stamping plants worldwide (m³)



View data >

WASTE MANAGEMENT

To reduce the consumption of raw materials, and to reduce spills and related environmental impacts, FCA has implemented procedures to pursue optimal recovery and reuse with minimal generation of waste. We strive to recycle what cannot be reused. If neither reuse nor recovery is possible, we dispose of waste according to applicable law and aiming to impact the environment as minimally as possible.

As a result of continued improvements in waste management, FCA achieved an 21% reduction of total waste generated at our plants worldwide in 2020 compared with 2019, saving about €3.5 million. In addition, revenues of about €26 million were generated by selling recoverable waste to companies that use it to generate new products or energy.

In addition to waste management generally, the Group - in accordance with applicable regulations in each jurisdiction - places particular importance on reducing the generation of hazardous waste, since by its very nature such waste is typically less suitable for reuse or recovery. In 2020, total hazardous waste decreased by 63% compared with 2010 baseline levels.

Waste Generation and Management

[*SDGs 12*]

FCA worldwide (tons)

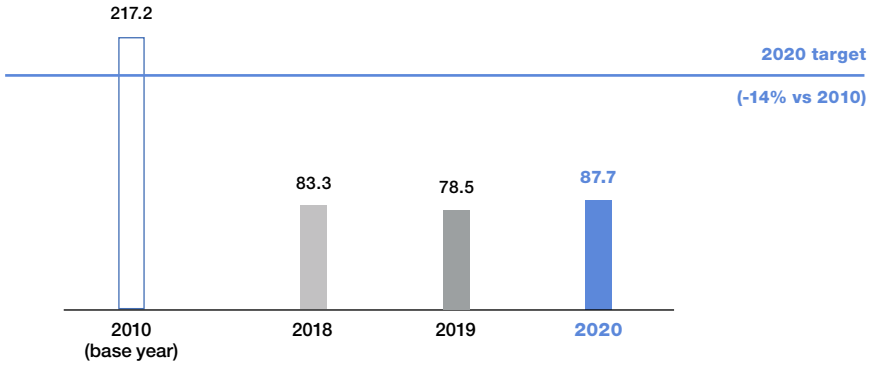
	2020	2019	2018	2010
Waste recovered	493,630	594,880	626,736	1,079,542
Waste disposed	142,245	211,517	248,434	538,457
Total waste generated	**635,875**	**806,396**	**875,170**	**1,618,000**

In mass-market vehicle assembly and stamping plants, the quantity of waste generated per vehicle produced in 2020 increased by 12% compared with the prior year (from 78.5 to 87.7 kg/vehicle produced), but decreased by 60% compared with 2010 (from 217.2 to 87.7 kg/vehicle produced). Hazardous waste per vehicle produced decreased 56% compared with 2010 (from 8.2 to 3.6 kg/vehicle produced).

Waste Generated per Vehicle Produced

[*SDGs 12*]

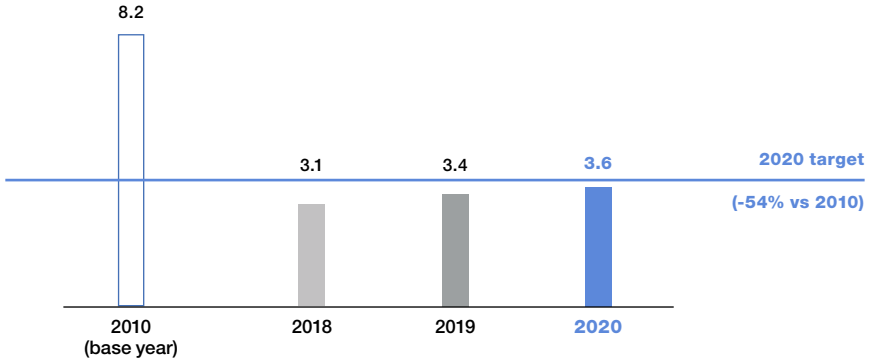
Mass-market vehicle assembly and stamping plants worldwide (kg)



Hazardous Waste Generated per Vehicle Produced

[*SDGs 12*]

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



View data >

LOGISTICS OPERATIONS

Addressing the environmental aspects associated with logistics entails finding sustainable solutions and coordinated efforts towards climate change, natural resources conservation and health safeguard.

Optimizing logistics processes represent a significant opportunity to reduce our environmental footprint having an economic, environmental, and social impact on traffic congestion.

A NEW SUSTAINABLE FACILITY RE-BORN

Focusing on an eco-friendly and sustainable workplace, FCA opened a leading edge Parts Distribution Center (PDC) and Logistics Center in Rivalta (Italy).
The new PDC distributes accessories and spare parts to over 5,000 destinations and is engineered to meet the gold level of the World Class Logistics (WCL) program. WCL is an approach that seeks excellence and improved service levels and customer satisfaction due to reduced operations lead time and human errors, in addition to reducing consumption of natural resources and energy.
To maximize environmental sustainability, the existing building was renovated while minimizing new construction and land consumption, saving 2,600 tons of CO_2 emissions when compared to building on a greenfield site. The original plant was transformed based on the principles of energy efficiency and environmental sustainability. The site is targeting in 2021 Carbon Neutral Certification LEED Gold certification.The site uses 100% renewable energy, with 1 MW of energy sourced from about 3,000 photovoltaic panels installed on the roof and side of the building.
The site is an example of Smart Digital Factory due to the installation of a Building Energy System that manages the energy equipment to maximize comfort and minimize consumption.
In addition to the site's sustainable approach, emissions are reduced in the community surrounding the facility by encouraging employees to use bikes, buses and electric cars as transportation.
The facility also supports an eco-friendly workplace by having charging stations available for employees.

Key elements of successful logistics operations include reducing stock and material handling, and delivering only the right product, to the right place, 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 organization serves as a link between the supplier network, Group plants, Parts Distribution Centers, 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 regarding network, mode and capacity in addition to 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 >

Indirect CO_2 Emissions from Logistics Processes[2]

[*SDGs 12, 13*]

FCA worldwide (thousands of tons of CO_2)

	2020	2019	2018
Upstream	716	791	853
Downstream[3]	521	641	678
Mopar	59	59	57
Total emissions[4]	**1,296**	**1,491**	**1,588**

[2] 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.
[3] Refers to finished vehicle distribution to markets.
[4] Related to logistics processes.

Responsible Sourcing

Managing the complexity of multi-tier supply chains presents particular challenges for all major industries, including the automotive sector. Technology is driving change 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 FCA FIGURES SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS)

~€60 BILLION

IN TOTAL PURCHASES

~2,000 SUPPLIERS WORLDWIDE

48% OF PURCHASED VALUE

ENGAGED IN ASSESSMENT THROUGH THE SUPPLIER SUSTAINABILITY ASSESSMENT QUESTIONNAIRE

OUR RESPONSIBLE SOURCING JOURNEY

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 approximately 2,000 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 286 strategic suppliers accounting for approximately 80% 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.

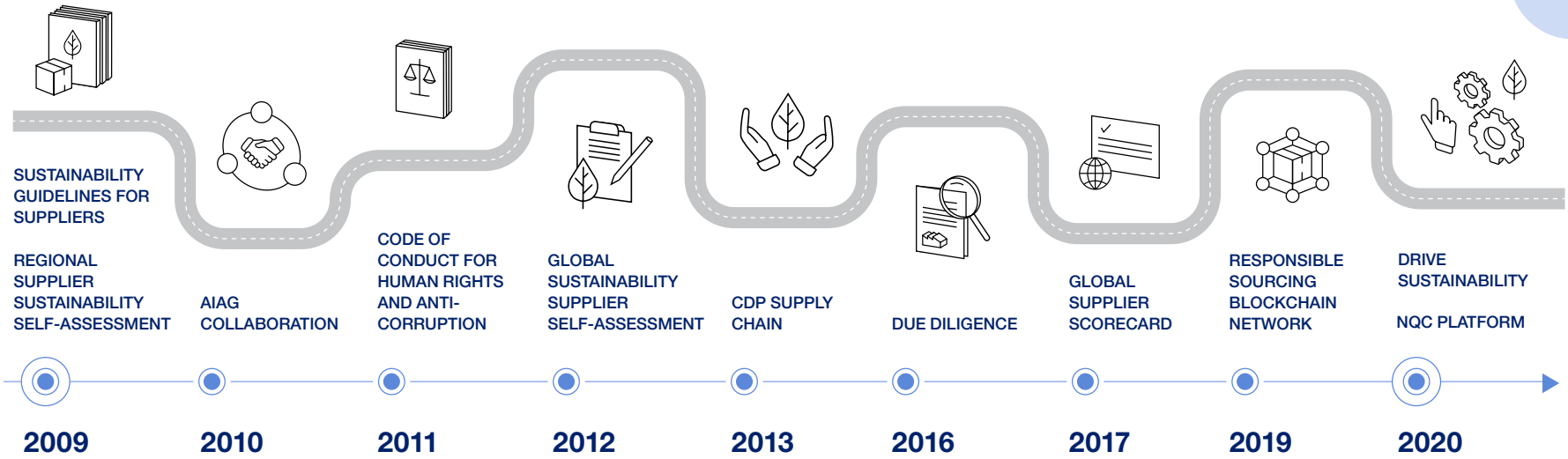
FCA's operations impact local economies and, whenever possible, we utilize local suppliers near major locations of operation. This generates direct and indirect income and employment opportunities in the communities where the business is located, in both developed and emerging economies, while minimizing transport-related environmental impacts. Local suppliers are those with manufacturing operations that supply an FCA plant located in the same country. For example, in the last three years more than 90% of our spending at our plants in Brazil has originated from in-country suppliers.

The selection of suppliers with proven capabilities in quality management, market understanding, readiness to innovate and respect for sustainability is critical for the Company. FCA Purchasing, the functional area responsible for supplier management, traditionally plays a critical role in setting global purchasing strategies and overseeing the integration of processes worldwide. This department also works with automotive peers, non-automotive counterparts and organizations to integrate key environmental, social, and governance considerations into global purchasing decisions. *View data >*

In the responsible sourcing journey, we have strived to create relationships with suppliers based on a mutual pursuit of excellence. Our close relationships also made it possible to go beyond the purely commercial sphere in order to work together to develop responsible and sustainable development practices. These practices focused on limiting the exposure to unexpected events and supply disruption, while building stronger supplier relationships and long-term core competencies that have driven sustainable growth over time.

Our responsible sourcing journey aims to ensure adherence to common, globally-embraced, environmental and social principles by focusing on our supply base sustainability development while enhancing transparency regarding raw material origin and human rights.

DEVELOPING A SUSTAINABLE SUPPLY CHAIN



2009

Sustainability Guidelines for Suppliers were developed together with industry associations, requiring suppliers to commit to operating responsibly according to FCA's ethical standards that can be found on our corporate website. This commitment to social, ethical and environmental principles has remained a condition to becoming an FCA supplier and developing an ongoing business relationship. Clauses were introduced to new agreements requiring new purchase orders to align with the principles set forth by FCA's policies, including the FCA Code of Conduct and the Sustainability Guidelines for Suppliers. Failing to meet these standards entailed a corrective action plan jointly developed with FCA. Additional actions were adopted by FCA in case of non-compliance, up to and including termination of the business relationship. A three-year monitoring process was introduced using sustainability self-assessment questionnaires and on-site audits. The aim was to cover at least 60% of the Group's annual purchased value during each year and verify supplier activities in relation to: human rights; environmental, health and safety practices; ethics and anti-corruption; and training of employees.

2010

The commitment to address ethical and social sourcing risks was expanded by collaborating with other automakers, suppliers and the Automotive Industry Action Group (AIAG) to evaluate the potential impact of the Dodd-Frank Act along the supply chain. These coordinated efforts helped to promote responsible practices and contributed to the development of tools and procedures for the identification and mapping of minerals originating from the Democratic Republic of Congo (DRC) or other geographical conflict-affected areas.

2011

Improvements were made in the evaluation of potential suppliers by incorporating new sustainability criteria. Changes included that suppliers adopt a Code of Conduct or a Code of Ethics, as well as a certified Health Management System. This change was in addition to the previous requirements for a certified Environmental Management System.

2012

Regional environmental and social aspects were integrated into the global management of suppliers. The supplier sustainability performance assessed through self-assessment questionnaires and local audits were considered in the final decision for the award of additional contracts and continued growth with FCA.

2013

Suppliers' environmental responsibility expanded with participation in the CDP Supply Chain initiative. This initiative promoted awareness among suppliers of their impact on the climate, particularly regarding greenhouse gas emissions.

2016

Our commitment to minerals source due diligence was reinforced to fulfill obligations under the SEC Conflict Minerals rule. FCA filed its first report globally in 2016 to follow SEC obligations as a result of the convergence activity of regional FCA data including the subsidiaries.

2017

A Global Scorecard with standardized regional metrics was developed to evaluate supplier performance. Every year, suppliers' sustainability performance is captured as a strategic indicator available on all regional scorecard views and used for supplier sourcing conversations.

2019

We launched the Responsible Sourcing project to gather input from diverse viewpoints to enhance our sustainability strategy. FCA joined the Responsible Sourcing Blockchain Network (RSBN), an industry collaboration using blockchain technology to support sustainable, responsible sourcing and production practices from mine to market. We also achieved nearly 100% response rate from our suppliers for the Conflict Minerals Reporting Template (CMRT). This is the critical first step to have transparency down to the smelter level of the extended supply chain.

2020

FCA extended its commitment to enhance supplier sustainability by joining Drive Sustainability, an automotive association focused on responsible sourcing collaboration. We also adopted the NQC platform which provides additional resources for supplier sustainability development (see Assessing Supplier Sustainability section). We also started to perform a Cobalt survey to gain greater transparency in the supply chain and support our due diligence activities.



HUMAN RIGHTS AND BUSINESS 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. Traceability and mapping of raw materials are essential to more efficiently and preemptively mitigate unethical practices that threaten the future for the communities where the raw materials are sourced.

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 and forced or compulsory labor, as well as to recognize the right to freedom of association and collective bargaining. To reinforce these expectations, FCA is a strong supporter of creating a Supplier Code of Conduct. This message is shared in various training materials, including a recorded training module which was created to assist suppliers with developing a Supplier Code of Conduct. This resource is meant to be shared across all levels of the multi-tiered supply chain.

In light of the growing momentum among stakeholders to undertake human rights due diligence with a specific focus on child and forced labor, during 2020 FCA began discussions with non-governmental organizations to determine opportunities for collaborating on common issues.

RAW MATERIALS SOURCING

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 importance in our sourcing process. In support of this, FCA interacts with many stakeholders and launched the Responsible Sourcing project to facilitate the development of new tools and resources that can better evaluate materials that require risk mitigation.

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 may originate from the Democratic Republic of 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 for incidents of child, forced or compulsory labor in our sub-tier supply chain.

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. Such engagements include:

- In collaboration with the 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.
- In the AIAG Corporate Responsibility Steering Committee, FCA was elected co-chair of the Responsible Minerals workgroup which leads auto industry engagement in cobalt, mica and Conflict Minerals activities and relationships.
- Our membership with the Responsible Minerals Initiative (RMI), which was founded by members of the Responsible Business Alliance (RBA) and the Global e-Sustainability Initiative, supports cross-industry discussion and development of common tools.
- FCA became a member of Drive Sustainability in 2020. This new association provides greater engagement with other OEMs, as well as access to additional tools and resources. In addition, FCA used a new service provider, NQC to provide additional resources for supplier sustainability development and gather supplier sustainability data.

Through AIAG, RMI, and Drive Sustainability, along with other stakeholder organizations, we are helping to build fair supply chains of minerals in the covered countries.

We work with our suppliers, to determine whether tantalum, tin, tungsten or gold were sourced from covered countries as also outlined by the Organisation for Economic Co-operation and Development (OECD) Guidance. This process begins by determining the in-scope suppliers that have parts that contain tantalum, tin, tungsten or gold, based on part data from the International Material Data Sheets (IMDS). A response to the Conflict Minerals Reporting Template (CMRT) is then required from more than 690 in-scope direct and after-market suppliers 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 arelevant suppliers make reasonable efforts 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
- review all incoming CMRT submissions from our suppliers
- provide detailed smelter analysis to suppliers reporting non-conformant smelters in their supply chain.

To prepare suppliers for submitting information into the new NQC platform, FCA provided ad hoc training for the targeted suppliers regarding the completion and submission of the CMRT.

RESPONSIBLE MINERALS INITIATIVE (RMI)

Because participation on RMI sub-teams facilitates development of best practices for supply chain assurance mechanisms, FCA works closely with RMI and its Responsible Minerals Assurance Process (RMAP). The RMAP uses an independent third-party assessment of smelters and refiners' management systems and sourcing practices to validate conformance with RMAP standards. The assessment employs a risk-based approach to validate smelters and refiners' company-level management processes for responsible mineral procurement. So far, 252 smelters and refiners have been validated as conforming to the RMAP or cross-sector recognized standards.

We strive to ensure companies or individuals in legal business activities 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. FCA also 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

Cobalt is of growing interest for the auto industry due to its use in electric vehicle batteries. FCA has taken action to begin engaging suppliers regarding cobalt in their products given the ongoing concerns around the use of child labor in the mining of cobalt. Expanding into new materials relies on the lessons learned from our Conflict Minerals process in addition to applying industry tools and resources. We have evaluated different tools to determine which approach best supports our needs. Many resources have recently been released and the strategy forward depends on appropriate application of these tools.

Our electric vehicle (EV) battery suppliers were the first to receive our request to submit the Cobalt Reporting Template (CRT). This is an automotive industry tool provided by RMI, and is similar to the CMRT for Conflict Minerals. The CRT facilitates the exchange of information through the supply chain regarding the cobalt's country of origin and smelters and refiners being utilized. When the CRTs were received from suppliers, they were verified against the RMI Cobalt smelter/refiner lists to check their conformance status and facilitate discussions for next steps. When smelters and refiners are not found on the RMI active or conformant lists we target those facilities for outreach and development. We also worked with RMI to have these facilities added as a priority for engagement. In addition, in 2020 all suppliers were informed that the CRT will become a requirement and targeted suppliers were strongly encouraged to submit the CRT via the NQC Supplier Assurance.

Utilizing and teaching our suppliers the OECD 5-Step Framework for Upstream and Downstream Supply Chains provides a common foundational tool that helps solidify responsible sourcing practices and decisions made throughout our supply chain.

In addition, 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.

To help companies address these challenges, the RMI has developed 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 mitigate undesirable practices as they relate to Conflict Minerals, cobalt and other raw materials. RMI has also collaborated with the Responsible Cobalt Initiative on a joint cobalt refiner audit program, aligned with the OECD Due Diligence Guidance and the Chinese Due Diligence Guidelines for Mineral Supply Chains.

Further, in response to the recommendations to strengthen human rights and environmental protection in mineral supply chains, FCA joined the Responsible Sourcing Blockchain Network (RSBN) which is an industry collaboration using blockchain technology to support sustainable, responsible sourcing and production practices from mine to market. In 2020, we worked with RSBN to make improvements internally while participating in the blockchain pilot.

MICA AND OTHERS

In addition, RMI opened the Risk Readiness Assessment process to mica smelters in 2019. Mica represents another area of concern for child labor. It is used predominantly in surface coatings and contained in other vehicle materials, such as in polymers for exterior mirror housing and covers.

In an effort to enhance our overall sourcing processes we created a Responsible Sourcing project that gathered input from diverse viewpoints. This project generated tools to guide FCA to an appropriate proposed action plan, and efforts are ongoing to apply them in the most effective manner.

SUPPLIER ASSESSMENT PROCESS

ELIGIBILITY REQUIREMENTS

Before FCA conducts business with a company to purchase vehicle parts and components, 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. Potential suppliers must demonstrate that they have adopted a program that promotes sustainability, both internally and along the supply chain. A few of the main items in the SEA are: 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 also includes an audit carried out at the supplier's facility by FCA personnel. 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. Corrective actions, responsibilities, and target dates for resolution can be defined for all identified items. The assessment is conducted prior to the procurement phase for all those suppliers' plants who are not currently providing parts to FCA, but may soon. 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.

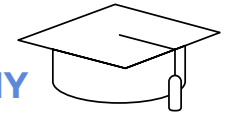
SUPPLIER WCM

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 waste and losses, and reduce injuries at our manufacturing operations by applying methods and standards with rigor, and with the involvement of the entire manufacturing workforce.

During 2020, FCA Purchasing, with the support of the World Class Manufacturing Academy and FCA plant WCM specialists, 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.

Dedicated WCM knowledge experts from FCA provide guidance and mentoring to improve a supplier's key activity and performance indicators.

TRAINING SUPPLIERS AT THE WCM ACADEMY



3 EVENTS

141 PARTICIPANTS

75 SUPPLIERS

CDP SUPPLY CHAIN PROGRAM

CDP (formerly the Carbon Disclosure Project) is an organization which supports companies to disclose environmental impacts. It aims to make environmental reporting and risk management a business norm, and drive disclosure, insight and action toward a sustainable economy. To promote awareness among suppliers of their impact on climate change, 307 suppliers were invited to participate in the CDP Supply Chain program in 2020. Of those invited, 231 suppliers disclosed their results, a 75% response rate, attaining an average score of C on a scale from A to D-.

To support this engagement and boost supplier response rates, dedicated supplier training webinars were held to communicate the importance and benefits from transparently reporting on emissions and climate impact. Approximately 50% of responding suppliers reported their scope 1 and scope 2 emissions.

In 2020, disclosing suppliers accounted for approximately 65% of FCA annual purchases by value from direct and indirect material suppliers, meeting our 2020 target 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.

Based on supplier data submitted, the scale-up estimate, representing 100% of the annual purchased value, for scope 3 CO_2 emissions from our supply base accounted for approximately 7.9 million tons.

231
DISCLOSING SUPPLIERS

C
AVERAGE SCORE

75%
RESPONSE RATE

57%
APV

ASSESSING SUPPLIER SUSTAINABILITY

The Group has made significant progress to understand how suppliers are focusing on sustainability topics. In addition, we have migrated to using the Sustainability Assessment Questionnaire (SAQ), the most common automotive sustainability assessment, from Drive Sustainability. This data gathering tool should help reduce the reporting burden for our Tier 1 suppliers. NQC Supplier Assurance provides both a platform for the SAQ and personnel who provide evidence validation and mentoring.

Since our journey began we have been focused on conducting sustainability audits and assessments of all Tier 1 suppliers with potential exposure to significant environmental or social risks.

The supplier compliance assessments are conducted yearly and include three phases.

The first phase consists of gathering supplier information, via a sustainability assessment questionnaire (SAQ). Active FCA suppliers are expected to complete a sustainability assessment each year. During 2020, we invited targeted suppliers to complete the SAQ for FCA, which covers greater than 95% of our direct annual purchased value. Approximately 48% of our invited suppliers responded to the questionnaire, representing 28% completed and 20% in-process of our annual purchased value on both direct and indirect suppliers.

The SAQ standardized tool, developed by Drive Sustainability in collaboration with the automotive industry, 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 SAQ online by accessing it on the NQC Supplier Assurance platform. The SAQ includes the following sections:

- Working Conditions and Human Rights
- Health & Safety
- Business Ethics
- Environment
- Supplier Management
- Responsible Sourcing of Raw Materials
- Recommendations

As an example, historically within the Environment section, self-assessment feedback reflects a supply base that is seeking to optimize its use of resources and minimize emissions and greenhouse gases; properly managing energy and water use, waste treatment and disposal; and adopting logistics processes with minimized environmental impact.

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

- FCA spending on the 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 sustainability assessment 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 sustainability risk level and is used to prioritize supplier audits.

On-site supplier sustainability audits - in the form of both announced and semi-announced/ unannounced - represent the third phase for confirming supplier compliance with our sustainability standards, and are conducted by either internal Supplier Quality Engineers or external auditors.

These audits not only help FCA, but also strengthen our suppliers by identifying areas of improvement in which they can close gaps, becoming stronger and more sustainable. In 2020, no on-site sustainability audits were conducted, however, we gained the support of our service provider to perform evidence validation for supplier SAQ submissions, which has been a key new function to supplement on-site audits. The information from the risk map was used to prioritize evidence validation activities. Since 2011, we have conducted on-site audits at suppliers that account for more than a third of our total annual purchased value, which includes 40 of our top 100 direct suppliers.

If any critical issues are identified during an audit or evidence validation, 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 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 assessments, evidence validation and onsite audits are shared within FCA Purchasing and are reported on the Global External Balanced Scorecard, which provides standardized supplier metrics across all FCA regions. Suppliers' sustainability performance is captured as a strategic indicator and is available on all regional scorecard views.

SUPPLIER AWARDS

FCA honored outstanding suppliers from around the world during the annual Supplier Conference and 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.

ENGAGING AND TRAINING SUPPLIERS

FCA's communication with 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.

In 2020, FCA and our suppliers participated in 37 Technology Day events. These events encourage collaboration with suppliers on innovative solutions for features, efficiencies and quality, and allow suppliers to share with FCA personnel 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 2020, 12 Technology Open House events were held.

Another supplier engagement program focuses on fostering innovation to improve products, processes and content. The Value Optimization SUPER Program (SUpplier Product Enhancement Reward) encourages a proactive approach with suppliers to collaborate on cost saving ideas. Economic benefits are shared when innovative manufacturing technologies and leaner component designs are implemented. Increased supplier engagement is a primary focus for the Value Optimization team.

FCA also encourages dialogue with the supply base by working closely with many industry and supplier organizations. One such group is the 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 Responsible Materials workgroup, 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. FCA periodically hosts Supplier Training Weeks 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, ethics and Conflict Minerals. In 2020, in response to the Covid pandemic, we offered the courses virtually and more than 9,800 took part. 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. For example, FCA utilizes the Virtual Classroom Offering (VCO), 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. In 2020, additional regional training modules from the Supplier Training Weeks were replaced with VCO classes in an effort to increase virtual training opportunities. VCO was also found to be an effective option to accommodate supplier training during the launch of vehicle programs. This method provides a flexible training option without taking key, dedicated supplier contacts away from the plant location during a critical time.

Additionally, 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, is available in several languages and is also provided to FCA Purchasing employees.

View data >

OUR FOUNDATIONAL PRINCPLES

FCA's supplier relationships are driven by our Foundational Principles that provide the framework we use internally and in working with our suppliers.

INTEGRITY
TRUST AND BE TRUSTWORTHY

MUTUAL TRANSPARENCY
SHARE EXPECTATIONS AND INFORMATION

PROACTIVE COLLABORATION
WORK TOGETHER EFFECTIVELY AND EFFICIENTLY

PERSONAL ACCOUNTABILITY
TAKE OWNERSHIP AND ACCEPT RESPONSIBILITY

EMPATHY & ADVOCACY
RESPECT AND SUPPORT EACH OTHER

SENSE OF URGENCY
ACT QUICKLY AND DECISIVELY

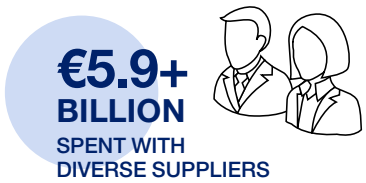
CONTINUOUS IMPROVEMENT
SHARE BEST PRACTICES

LONG-TERM MINDSET
MAKE DECISIONS THAT FOSTER SUSTAINABLE RELATIONSHIPS

SUPPORTING SUPPLIER DIVERSITY AND INCLUSION

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, women or veterans, 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. In 2020 FCA signed on to the CEO Action initiative which is the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.

With a supplier diversity and development program that spans 37 years, FCA spent more than €5.97 billion with Tier 1 and Tier 2 diverse suppliers in 2020. The FCA US suppliers' External Balanced Scorecard includes a metric for diversity sourcing at the Tier 2 level.



Recognition of the diversity efforts the Company has made are presented throughout the year. These awards honor corporations for diversity programs that reduce barriers and drive growth for suppliers that are appropriately certified with approved councils. FCA US received the following awards for our focus on diversity during 2020:

- Corporation of the Year - Tier II Program by the National Minority Supplier Development Council
- Minority Business News Supplier Diversity All-Stars
- Veteran-Owned Business Roundtable Advocate of the Year
- Top 100 Company by Women's Enterprise USA

Our long-lasting leadership in helping diverse suppliers includes the FCA High Focus program which 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 supports inclusion across our supply base also through the annual Matchmaker event, which creates opportunities for diverse suppliers. Matchmaker events provide minority-owned, women-owned and veteran-owned businesses access to our Tier I suppliers and to decision makers within our procurement organization. Training, mentorship, scholarship support, sponsorships, membership and Board and committee participation are some of the ways we support organizations, which include:

- Billion Dollar Roundtable
- National Gay and Lesbian Chamber of Commerce
- National Minority Supplier Development Council
- DisabilityIN
- Canadian Aboriginal and Minority Supplier Council
- Women's Business Enterprise National Council
- 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.

Supplemental Information

Facts & Figures

Employees [Workforce Distribution]

Workforce by Geographic Area and Category

FCA worldwide (no.)

	2020					2019					2018				
	Total	Hourly	Salaried	Professional	Manager	**Total**	Hourly	Salaried	Professional	Manager	**Total**	Hourly	Salaried	Professional	Manager
North America	**95,108**	72,773	8,857	12,370	1,108	**95,621**	72,667	9,434	12,380	1,140	**97,029**	74,703	9,276	11,940	1,110
Europe	**58,375**	36,162	8,023	13,452	738	**60,636**	37,609	8,495	13,771	761	**64,616**	40,446	9,261	14,104	805
Latin America	**32,208**	25,188	3,792	3,089	139	**31,613**	24,525	3,888	3,063	137	**33,056**	26,004	3,963	2,965	134
Asia	**3,590**	204	1,957	1,368	61	**3,643**	230	2,014	1,348	51	**3,566**	253	1,940	1,328	45
Rest of world	**231**	44	62	125	-	**239**	46	65	127	1	**268**	46	82	139	1
Total	**189,512**	**134,371**	**22,691**	**30,404**	**2,046**	**191,752**	**135,077**	**23,896**	**30,689**	**2,090**	**198,545**	**141,452**	**24,522**	**30,476**	**2,095**

Workforce Gender Distribution by Geographic Area

FCA worldwide

	2020			2019			2018		
	Total (no.)	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)
North America	**95,108**	76.2	23.8	**95,621**	76.5	23.5	**97,029**	76.8	23.2
Europe	**58,375**	80.2	19.8	**60,636**	79.9	20.1	**64,616**	79.8	20.2
Latin America	**32,208**	87.8	12.2	**31,613**	88.6	11.4	**33,066**	88.9	11.1
Asia	**3,590**	76.1	23.9	**3,643**	76.5	23.5	**3,566**	76.9	23.1
Rest of world	**231**	73.6	26.4	**239**	72.4	27.6	**268**	72.0	28.0
Total	**189,512**	**79.4**	**20.6**	**191,752**	**79.6**	**20.4**	**198,545**	**79.8**	**20.2**

Workforce Gender Distribution by Category

FCA worldwide

	2020			2019			2018		
	Total (no.)	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)
Hourly	**134,371**	80.8	19.2	**135,077**	81.2	18.8	**141,452**	81.5	18.5
Salaried	**22,691**	71.1	28.9	**23,896**	71.0	29.0	**24,522**	70.5	29.5
Professional	**30,404**	78.8	21.2	**30,689**	79.0	21.0	**30,476**	79.4	20.6
Manager	**2,046**	83.1	16.9	**2,090**	83.4	16.6	**2,095**	83.3	16.7
Total	**189,512**	**79.4**	**20.6**	**191,752**	**79.6**	**20.4**	**198,545**	**79.8**	**20.2**

Workforce Gender Distribution by Operating Segment

FCA worldwide

	2020			2019			2018		
	Total (no.)	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)
Mass-market vehicles	**164,203**	79.3	20.7	**165,068**	79.7	20.3	**171,500**	79.9	20.1
Maserati	**1,628**	79.6	20.4	**1,683**	80.1	19.9	**1,628**	80.4	19.6
Other Activities*	**23,681**	79.7	20.3	**25,001**	78.9	21.1	**25,417**	78.9	21.1
Total	**189,512**	**79.4**	**20.6**	**191,752**	**79.6**	**20.4**	**198,545**	**79.8**	**20.2**

* Other Activities: Comau, Teksid, and companies operating in services and holding.

Workforce Gender Distribution by Length of Service

FCA worldwide

	2020			2019			2018		
	Total (no.)	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)
Up to 5 years	**66,479**	76.8	23.2	**68,854**	76.9	23.1	**78,959**	76.7	23.3
6 to 10 years	**40,714**	75.6	24.4	**37,700**	76.4	23.6	**32,871**	77.9	22.1
11 to 20 years	**27,246**	82.1	17.9	**30,309**	81.6	18.4	**32,493**	81.9	18.1
21 to 30 years	**39,267**	83.0	17.0	**40,233**	83.4	16.6	**42,095**	83.9	16.1
Over 30 years	**15,793**	86.2	13.8	**14,029**	86.5	13.5	**12,127**	85.1	14.9
Not tracked*	**13**	92.0	8.0	**627**	77.2	22.8	**-**	-	-
Total	**189,512**	**79.4**	**20.6**	**191,752**	**79.6**	**20.4**	**198,545**	**79.8**	**20.2**

* Not tracked: 13 employees of a company undergoing integration in the Human Resources reporting process, accounting for approximately 0% of total workforce.

Workforce Gender Distribution by Age

FCA worldwide

	2020			2019			2018		
	Total (no.)	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)
Up to 30 years	**35,856**	78.3	21.7	**37,944**	78.1	21.9	**42,993**	78.4	21.6
31 to 40 years	**47,494**	77.7	22.3	**46,810**	78.4	21.6	**47,842**	78.8	21.2
41 to 50 years	**49,858**	78.6	21.4	**50,903**	79.1	20.9	**52,714**	79.4	20.6
Over 50 years	**56,304**	82.1	17.9	**55,468**	82.2	17.8	**54,996**	82.2	17.8
Not tracked*	**-**	-	-	**627**	77.2	22.8	**-**	-	-
Total	**189,512**	**79.4**	**20.6**	**191,752**	79.6	20.4	**198,545**	79.8	20.2

* Not tracked: 627 employees of 3 companies insourced during 2019 and under integration on Human Resources reporting process, accounting for approximately 0.3% of total workforce.

Workforce Gender Distribution by Level of Education

FCA worldwide

	2020			2019			2018		
	Total (no.)	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)	**Total (no.)**	Men (%)	Women (%)
University degree*	**48,384**	73.8	26.2	**49,399**	73.8	26.2	**60,947**	76.5	23.5
High school	**95,544**	78.5	21.5	**86,182**	77.2	22.8	**93,404**	78.8	21.2
Elementary/middle school	**38,306**	89.1	10.9	**48,325**	90.3	9.7	**36,883**	88.0	12.0
Not tracked	**7,278**	76.6	23.4	**7,846**	76.7	23.3	**7,311**	78.7	21.3
Total	**189,512**	**79.6**	**20.6**	**191,752**	**79.6**	**20.4**	**198,545**	**79.8**	**20.2**

* 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.)

	2020				
	Total	Hourly	Salaried	Professional	Manager
Up to 30 years	**35,857**	28,573	5,317	1,966	1
31 to 40 years	**47,488**	31,624	6,529	9,160	175
41 to 50 years	**49,855**	35,327	4,812	8,942	774
Over 50 years	**56,299**	3,839	6,029	10,335	1,096
Not tracked*	**13**	8	4	1	-
Total	**189,512**	**134,371**	**22,691**	**30,404**	**2,046**

* Not tracked: 13 employees of a company undergoing integration in the Human Resources reporting process, accounting for approximately 0% of total workforce.

Workforce by Contract and Employment Type

FCA worldwide (no.)

	2020				
		Unlimited-term		Fixed-term	
	Total	Full-time	Part-time	Full-time	Part-time
North America	**95,108**	84,274	58	3,157	7,619
Europe	**58,375**	57,255	735	374	11
Latin America	**32,208**	32,065	-	143	-
Asia	**3,590**	3,564	-	24	2
Rest of world	**231**	231	-	-	-
Total	**189,512**	**177,389**	**793**	**3,698**	**7,632**

Workforce Gender Distribution by Contract and Employment Type

FCA worldwide (%)

	2020							
	Unlimited-term				Fixed-term			
	Part-time		Full-time		Part-time		Full-time	
	Men	Women	Men	Women	Men	Women	Men	Women
North America	20.7	79.3	77.3	22.7	55.6	44.4	96.8	3.2
Europe	9.9	90.1	81.3	18.7	72.7	27.3	48.1	51.9
Latin America	-	-	87.8	12.2	-	-	86	14.0
Asia	-	-	76.2	23.8	50	50	66.7	33.3
Rest of world	-	-	73.6	26.4	-	-	-	-

	Unlimited-term		Fixed-term	
	Men	Women	Men	Women
Total	**80.1**	**19.9**	**67.3**	**32.7**

Workforce Distribution by Country

FCA worldwide (%)

	2020	2019	2018
U.S.	34.4	33.9	32.8
Italy	24.6	24.9	25.6
Brazil	15.9	15.4	15.3
Mexico	9.7	9.5	9.8
Canada	6.0	6.5	6.3
Poland	2.7	3.1	3.2
Serbia	1.2	1.2	1.2
Argentina	1.1	1.1	1.3
China	1.1	1.1	1.1
France	0.5	0.5	0.5
Germany	0.4	0.4	0.5
Spain	0.2	0.2	0.2
Other countries	2.2	2.2	2.2
Total (no.)	**189,512**	**191,752**	**198,545**

Nationality of Managers

FCA worldwide

	2020	
	Managers (no.)	Total Managers (%)
American	908	44.4
Italian	679	33.2
Brazilian	118	5.8
Canadian	100	4.9
Mexican	73	3.6
Chinese	30	1.5
French	22	1.1
Polish	13	0.6
German	12	0.6
Other	91	4.4
Total	**2,046**	**100**

Managers of Local Nationality by Geographic Area

FCA worldwide (%)

	2020
Europe	99.6
North America	97.6
Latin America	84.9
Asia	67.2
Rest of world	100

Workforce by Principal Ethnic Origin

FCA in North America (%)

	2020
Caucasian	38.9
African American	24.0
Hispanic	4.6
American Indian	0.2
Other	32.3

Workforce belonging to Nationality Minority Group

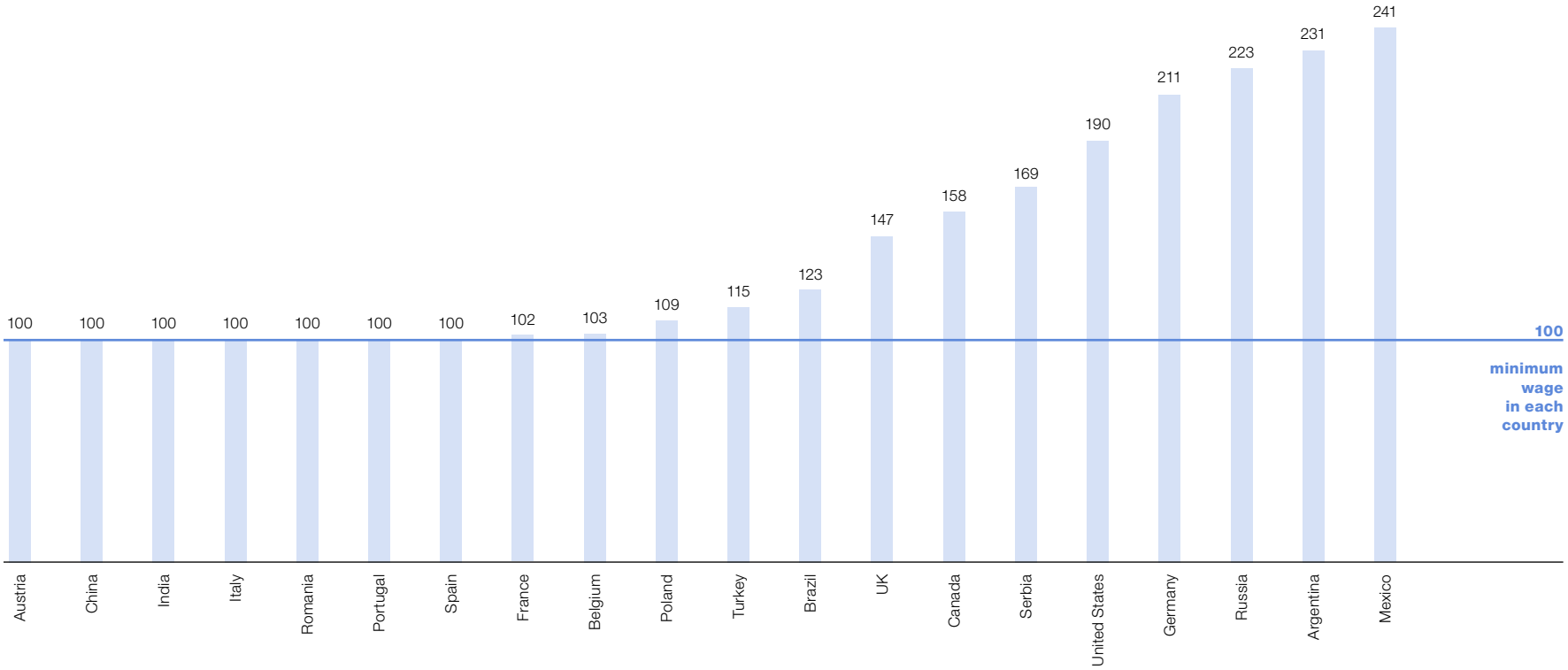
FCA in North America

	2020
Total (no.)*	**3,537**
of which men (%)	78.6
of which women (%)	21.4
over total workforce (%)	1.9

* 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, 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 is less than 10% of that country's total headcount. Figures reported are as of December 31, 2020.
The survey of 20 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 2020 (no.)	1,890	1,337
Employees that took parental leave in 2019* and are still employed (%)	81.2	81.5

* 2019 data on workforce refers to 191,125 employees (covering approximately 99.7% of total workforce). It does not include 627 employees of 3 Companies, insourced during the 2019 year and under integration on Human Resources reporting process.

Return to Work After Parental Leave by Gender*

FCA Italy

	Men	Women	Total
Employees that took parental leave during 2020 as of December 31, 2020	**1,340**	**871**	**2,211**
Employees still on a parental leave	323	300	623
Returned to work after parental leave ended and still employed	1,000	560	1,560
Employees who left the Group after parental leave	17	11	28
Return to work rate at December 31, 2020	**98%**	**98%**	**98%**

	Men	Women	Total
Employees that took parental leave during 2019 as of December 31, 2019	**1,503**	**892**	**2,395**
Employees still on a parental leave	366	392	758
Returned to work after parental leave ended and still employed	1,100	474	1,574
Employees who left the Group after parental leave	37	26	63
Return to work rate at December 31, 2019	**97%**	**95%**	**96%**

Retention After Parental Leave by Gender*

FCA Italy

	Men	Women	Total
Employees that took parental leave during 2019 as of December 31, 2019	**1,503**	**892**	**2,395**
Employees still on a parental leave	113	160	273
Returned to work after parental leave ended and still employed	1,328	693	2,021
Employees who left the Group after parental leave	62	39	101
Retention rate at December 31, 2020	**96%**	**95%**	**95%**

* Not tracked: 13 employees of a company under integration on Human Resources reporting process, weighting approximately 0% of total workforce.

Employees [Turnover]

Turnover by Geographic Area

FCA worldwide (no.)

	2020					
	North America	Europe	Latin America	Asia	Rest of World	Total
Employees at December 31, 2019	95,621	60,636	31,613	3,643	239	191,752
New Hires	16,253	822	4,188	375	21	21,659
Departures	(16,708)	(3,080)	(3,618)	(430)	(27)	(23,863)
Δ scope of operations and transfers	(58)	(3)	25	2	(2)	(36)
Employees at December 31, 2020	**95,108**	**58,375**	**32.208**	**3,590**	**231**	**189,512**

Turnover by Category

FCA worldwide (no.)

	2020				
	Hourly	Salaried	Professional	Manager	Total
Employees at December 31, 2019	135,077	23,896	30,689	2,090	191,752
New Hires	18,406	2,256	937	60	21,659
Departures	(18,873)	(2,910)	(1,915)	(165)	(23,863)
Δ scope of operations, transfers and category change	(239)	(551)	693	61	(36)
Employees at December 31, 2020	**134,371**	**22,691**	**30,404**	**2,046**	**189,512**

Hourly Turnover by Geographic Area

FCA worldwide (no.)

	2020				
	North America	Europe	Latin America	Asia	Rest of World
Employees at December 31, 2019	72,667	37,609	24,525	230	46
New Hires	14,344	321	3,730	11	0
Departures	(14,156)	(1,659)	(3,020)	(38)	0
Δ scope of operations, transfers and category change	(82)	(109)	(47)	1	(2)
Employees at December 31, 2020	**72,773**	**36,162**	**25,188**	**204**	**44**

Turnover by Age Group

FCA worldwide (no.)

	2020				
	Up to 30 Years	31 to 40 Years	41 to 50 Years	Over 50 Years	Total
Employees at December 31, 2019	37,944	46,810	50,903	55,468	191,752
New Hires	11,775	5,846	2,804	1,234	21,659
Departures	(9,025)	(5,834)	(3,254)	(5,750)	(28,863)
Δ scope of operations and transfers	(4,838)	672	(595)	5,352	(36)
Employees at December 31, 2020	**35,856**	**47,494**	**49,858**	**56,304**	**189,512**

Turnover by Gender

FCA worldwide (no.)

	2020		
	Men	Women	Total
Employees at December 31, 2019	152,620	39,132	191,752
New Hires	14,614	7,045	21,659
Departures	(16,792)	(7,071)	(23,863)
Δ scope of operations and transfers	195	(231)	(36)
Employees at December 31, 2020	**150,637**	**38,875**	**189,512**

Employees [Training]

Training Expenditures

FCA worldwide (€)

	2020	2019	2018
Spending on training (€ million)	25.0	34.1	40.7

Training by Gender

FCA worldwide (no.)

	2020		
	Workforce	Hours	Average Training Hours*
Men	72,306	848,402	5.6
Women	20,699	234,329	6.0
Total	**93,005**	**1,082,731**	**5.7**

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

Training on Corporate Campaigns*

FCA worldwide

	2020	2019	2018
Participations (no.)	70,209	104,331	138,134
of which managers	3.9%	4.0%	3.4%

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

Training on Health and Safety

FCA worldwide and selected JVs (no.)

	2020	2019	2018
Hours of training	1,890,663	1,811,364	991,576
Employees involved	163,755	144,348	176,003

Training by Category

FCA worldwide

	2020	
	Workforce (%)	Average Training Hours (no.)*
Hourly	43.5	3.0
Professional & Salaried	54.2	12.4
Manager	2.3	9.9

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

Training on Anti-Corruption

FCA worldwide

	2020	
	Employees involved (no.)	of which manager
North America	13,953	5.9%
Europe	1	-
Latin America	-	-
Asia	-	-
Rest of world	-	-
Total	**13,954**	**5.9%**

Environmental Training

FCA worldwide and selected JVs (no.)

	2020	2019	2018
Hours of training	89,904	136,976	207,046
Employees involved	60,457	66,052	118,984

Employees [Occupational Health and Safety]

Injuries by Region/Company

FCA worldwide (no.)

	2020	2019	2018
EMEA	**69**	85	121
North America	**40**	56	78
LATAM	**7**	6	16
APAC	**1**	1	3
Maserati	**10**	9	6
Teksid	**18**	27	25
Comau	**15**	18	19
Plastic Components	**7**	8	8
Total	**167**	**210**	**276**

Frequency Rate by Region/Company

FCA worldwide (injuries per 1,000,000 hours)*

	2020	2019	2018
EMEA	**0.95**	0.99	1.10
North America	**0.30**	0.31	0.40
LATAM	**0.32**	0.24	0.56
APAC	**0.10**	0.08	0.18
Maserati	**1.54**	1.42	0.97
Teksid	**1.55**	1.98	1.80
Comau	**0.79**	0.84	0.93
Plastic Components	**4.34**	1.67	1.71
Total	**0.57**	**0.60**	**0.70**

* 2020 worked hours that were used to calculate frequency rate were approximately 290 million.

Days of Absence* by Region/Company

FCA worldwide (no.)

	2020	2019	2018
EMEA	**2,363**	2,955	3,841
North America	**2,155**	4,063	5,151
LATAM	**281**	624	1,094
APAC	**36**	39	44
Maserati	**207**	153	344
Teksid	**860**	957	1,367
Comau	**743**	901	735
Plastic Components	**205**	373	280
Total	**6,850**	**10,065**	**12,856**

* 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 one day, 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 Region/Company

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

	2020	2019	2018
EMEA	**0.03**	0.03	0.03
North America	**0.01**	0.02	0.03
LATAM	**0.01**	0.02	0.04
APAC	**-**	-	-
Maserati	**0.03**	0.02	0.06
Teksid	**0.07**	0.07	0.10
Comau	**0.04**	0.04	0.04
Plastic Components	**0.13**	0.08	0.06
Total	**0.02**	**0.03**	**0.03**

* 2020 worked hours that were used to calculate severity rate were approximately 290 million.

Occupational Illness Cases by Region/Company

FCA worldwide (no.)

	2020	2019	2018
EMEA	**104**	167	175
North America	**99**	169	145
LATAM	**-**	-	1
APAC	**-**	-	-
Maserati	**12**	9	6
Teksid	**82**	48	38
Comau	**-**	-	1
Plastic Components	**-**	2	-
Total	**297**	**395**	**366**

Occupational Illness Frequency Rate by Region/Company

FCA worldwide (occupational illness cases per 1,000,000 hours worked)*

	2020	2019	2018
EMEA	**1.43**	1.95	1.59
North America	**0.66**	0.93	0.75
LATAM	**-**	-	0.04
APAC	**-**	-	-
Maserati	**1.85**	1.42	0.97
Teksid	**7.04**	3.52	2.73
Comau	**-**	-	0.05
Plastic Components	**-**	0.42	-
Total	**1.01**	**1.13**	**0.93**

* 2020 worked hours that were used to calculate frequency rate were approximately 290 million.

Fatalities

FCA worldwide (no.)

	2020	2019	2018
Fatal accidents	**-**	2	1
Fatality rate per 1,000,000 hours worked*	**-**	0.006	0.003

* 2020 worked hours that were used to calculate fatality rate were approximately 290 million.

Serious injuries* by Region/Company

FCA worldwide (no.)

	2020	2019
EMEA	**-**	2
North America	**2**	4
LATAM	**-**	1
APAC	**-**	-
Maserati	**-**	-
Teksid	**-**	1
Comau	**-**	3
Plastic Components	**-**	-
Total	**2**	**11**

* Refers to injuries which determine absence of 6 months (180 consecutive days) or more from working place.

Spending on Occupational Health and Safety

FCA worldwide (€ million)

	2020	2019	2018
Spending on Occupational Health and Safety	**164**	155	160

Employees [Freedom of Association and Collective Bargaining]

Main Issues Covered Under Collective Bargaining Agreements

FCA agreements by type (%)

	2020
Operating issue	37.1
Wage issue	22.8
Restructuring	5.7
Occupational Health and Safety*	9.9
Training	11.4
Equal opportunities	2.7
Other	10.4

* Occupational Health and Safety includes work-related stress.

Employees [Direct Economic Value and Value Added Generated]

The value added through the Group activities and distributed to our various stakeholders in 2020 totaled €11,265 million (about 13% of revenues).

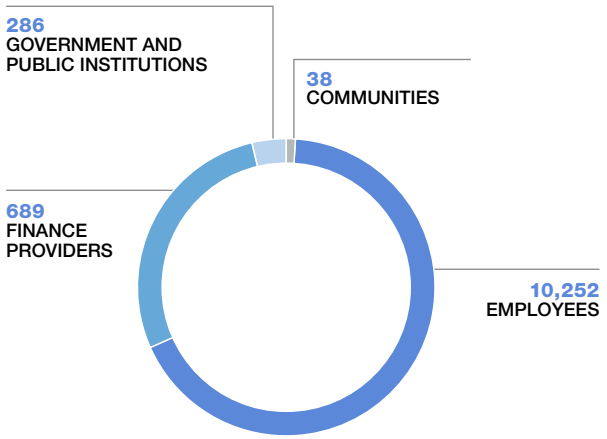
Direct Economic Value and Value Added generated

FCA worldwide (€ million)

	2020
Consolidated 2020 revenues	86,676
Income of financial services companies	(129)
Government grants (current and deferred/capitalized), release of provisions, other income	585
Other income	269
Direct economic value generated	**87,401**
Cost of materials	(68,031)
Depreciation and amortization	(5,143)
Other expense	(2,962)
Value added	**11,265**

Breakdown of Value Added

FCA (€ million)



Product

Public Funding for Research and Development

FCA worldwide (€ million)

	2020	2019	2018
Grants	31.2	35.2	40
Loans	81.9	0.1	429
of which subsidized loans	2.2	0.1	9
of which EIB* loans	79.7	-	420

* 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
L3Pilot	Piloting Automated Driving on European Roads: in L3Pilot car makers perform field trials on vehicle automation in a wide range of driving situations, including parking, highway, and cities. L3Pilot tests will evaluate the technical aspects and the overall impact on traffic and society.
5G Carmen	Connected and Automated Road Mobility in the European Union: aims at building a 5G-enabled corridor from Italy to Germany to conduct cross-border trials of 5G technologies.
eCharge4Drivers	Focuses on connected vehicle service solutions to allow electric vehicle users a comfortable and enjoyable charging experience in different cities and on long journeys.
InterACT	Development and testing of solutions for the interaction of self-driving vehicles with pedestrians.
ECOXY	Focuses on a circular economy approach for the use of recyclable, reshapable and repairable, bio-based fiber-reinforced epoxy composites.
BARBARA	Development of biopolymers with multifunctional properties for the production of components for vehicle interiors made with 3D printing techniques.

Patents

FCA worldwide (no.)

Total patents granted at December 31, 2020	5,076
of which: granted during 2020	373
Patents pending at December 31, 2020	1,006
of which: new patent applications filed in 2020	162

Designs

FCA worldwide (no.)

Design rights registered at December 31, 2020	2,219
of which registered in 2020	100

Materials Bought for Vehicle Production

	Weight of materials bought (metric tons)
Steel	4,638,581
Light alloys	548,334
Cast iron	57,536
Other metals	180,142
Elastomers	200,969
Polymers	173,630
Fluids	62,323
Other	30,521
Total	**5,892,035**

Customers

Customer Contact Center Performance

	NORTH AMERICA	EMEA	LATAM	APAC
Contacts managed (million)	39.3	4.6	1.5	0.1
Customers participating in satisfaction surveys	18.0%	15.0%	6.7%	9.0%
Satisfaction index Information (scale 1-10)	6.8	7.9	8.7	9.0
Satisfaction index Complaints (scale 1-10)	6.8	6.9	7.7	9.0
% of calls answered within 20 seconds	79.0%	61.9%	81.7%	89.0%
Information: cases settled in a single call	89.0%	83.4%	93.6%	88.0%
Complaints: % cases settled within 5 business days	75%	61%	53%	84%
Hours of personnel training (no.)	16,775	6,915	24,077	630
Personnel (agents and supervisors)	761	427	148	24

North America markets monitored through Customer Satisfaction Index are U.S. and Canada; complaint/information score is aggregated based on methodology changes with launch of Salesforce.
North America methodology for % complaint cases settled changed from business days to calendar days.
EMEA markets monitored through Customer Satisfaction Index are 19 major markets.
LATAM markets monitored through Customer Satisfaction Index are Argentina, Brazil and Venezuela.
APAC markets monitored through Customer Satisfaction Index are Japan, India and South Korea.
APAC data related to complaint cases settled refers to India.

Production [Certification and Environmental Expenditures]

Certified Plants

FCA worldwide (no.)

	2020
ISO 14001 - Environment	95
ISO 50001 - Energy	79
OHSAS 18001 / ISO 45001 - Health and Safety	92

Environmental Expenditures

FCA worldwide

	2020
Environmental expenditures (€ million)	99
of which waste disposal, emissions treatment and remediation costs	75%
of which prevention and environmental management costs	25%

Production [Energy]

Direct and Indirect Energy Consumption

FCA worldwide (GJ)

2020	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Electricity	15,163,523	8,458,787	3,682,958	431,207	558,382	135,748	1,705,964	76,031	114,445
Natural gas	15,793,057	12,475,648	1,023,498	774,466	281,622	179,280	899,966	84,974	73,604
Other fuels	677,503	69,533	121	-	-	-	606,696	1,080	72
Other energy sources	3,940,936	2,824,235	488,338	-	149,421	223,890	255,049	3	-
Total energy consumption	**35,575,019**	**23,828,203**	**5,194,914**	**1,205,673**	**989,424**	**538,918**	**3,467,676**	**162,089**	**188,122**

2019	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Electricity	17,792,217	9,502,818	4,493,257	503,978	719,134	184,014	2,026,687	78,053	284,276
Natural gas	18,970,928	15,001,270	1,259,072	859,523	341,637	190,284	1,087,760	94,066	137,315
Other fuels	923,045	73,166	307	-	-	-	843,417	2,059	4,096
Other energy sources	4,214,083	2,821,176	515,620	-	172,855	416,651	287,776	4	-
Total energy consumption	**41,900,273**	**27,398,430**	**6,268,256**	**1,363,501**	**1,233,626**	**790,949**	**4,245,641**	**174,182**	**425,687**

2018	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Electricity	19,200,530	10,339,489	4,992,975	548,860	638,604	186,328	2,102,811	102,013	289,451
Natural gas	20,201,447	15,933,589	1,435,828	843,143	354,353	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	2,821,176	515,459	-	172,855	439,103	292,309	4	25,895
Total energy consumption	**45,345,387**	**29,199,780**	**6,978,856**	**1,392,003**	**1,214,907**	**907,757**	**4,395,044**	**211,504**	**449,139**

Direct Energy Consumption by Source*

FCA worldwide (GJ)

2020	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Natural gas	15,793,057	12,475,648	1,023,498	774,466	281,622	179,280	899,966	84,974	73,604
Coal	556,099	-	-	-	-	-	556,099	-	-
Diesel	52,988	1,988	-	-	-	-	50,597	403	-
LPG	68,416	67,545	121	-	-	-	-	677	72
Other (HS and LS fuel oil)	-	-	-	-	-	-	-	-	-
Renewable sources	1,813	-	1,809	-	-	-	-	3	-
Total direct energy consumption	**16,472,372**	**12,545,181**	**1,025,427**	**774,466**	**281,622**	**179,280**	**1,506,663**	**86,058**	**73,677**

2019	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Natural gas	18,970,928	15,001,270	1,259,072	859,523	341,637	190,284	1,087,760	94,066	137,315
Coal	782,302	-	-	-	-	-	782,302	-	-
Diesel	64,850	2,915	-	-	-	-	61,116	733	86
LPG	75,894	70,251	307	-	-	-	-	1,326	4,010
Other (HS and LS fuel oil)	-	-	-	-	-	-	-	-	-
Renewable sources	890	-	886	-	-	-	-	4	-
Total direct energy consumption	**19,894,863**	**15,074,436**	**1,260,265**	**859,523**	**341,637**	**190,284**	**1,931,178**	**96,129**	**141,411**

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	15,933,589	1,435,828	843,143	354,353	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**	**16,039,115**	**1,438,796**	**843,143**	**366,415**	**282,326**	**1,999,924**	**109,491**	**133,792**

* IPCC 2006 conversion factors used to calculate the direct energy consumption.

Indirect Energy Consumption by Source

FCA worldwide (GJ)

2020	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Nonrenewable electricity	12,692,882	7,608,110	3,395,318	431,207	459,938	135,748	523,135	49,174	90,252
Renewable electricity	2,468,911	850,677	285,910	-	98,444	-	1,182,829	26,857	24,193
Total electricity	**15,161,792**	**8,458,787**	**3,681,227**	**431,207**	**558,382**	**135,748**	**1,705,964**	**76,031**	**114,445**
Nonrenewable thermal energy	2,931,824	2,103,980	320,569	-	72,807	208,977	225,491	-	-
Renewable thermal energy	-	-	-	-	-	-	-	-	-
Total thermal energy	**2,931,824**	**2,103,980**	**320,569**	**-**	**72,807**	**208,977**	**225,491**	**-**	**-**
Other nonrenewable sources	979,473	720,256	167,691	-	76,614	14,913	-	-	-
Other renewable sources	29,558	-	-	-	-	-	29,558	-	-
Total other energy sources	**1,009,031**	**720,256**	**167,691**	**-**	**76,614**	**14,913**	**29,558**	**-**	**-**
Total indirect energy consumption	**19,102,647**	**11,283,022**	**4,169,487**	**431,207**	**707,803**	**359,638**	**1,961,013**	**76,031**	**114,445**

2019	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Nonrenewable electricity	14,816,418	8,443,524	4,195,912	503,978	524,186	184,014	747,448	42,869	174,486
Renewable electricity	2,975,076	1,059,294	296,622	-	194,948	-	1,279,239	35,184	109,790
Total electricity	**17,791,494**	**9,502,818**	**4,492,534**	**503,978**	**719,134**	**184,014**	**2,026,687**	**78,053**	**284,276**
Nonrenewable thermal energy	3,127,165	2,057,651	343,509	-	85,053	390,263	250,689	-	-
Renewable thermal energy	-	-	-	-	-	-	-	-	-
Total thermal energy	**3,127,165**	**2,057,651**	**343,509**	**-**	**85,053**	**390,263**	**250,689**	**-**	**-**
Other nonrenewable sources	1,049,663	763,525	171,947	-	87,803	26,388	-	-	-
Other renewable sources	37,087	-	-	-	-	-	37,087	-	-
Total other energy sources	**1,086,751**	**763,525**	**171,947**	**-**	**87,803**	**26,388**	**37,087**	**-**	**-**
Total indirect energy consumption	**22,005,410**	**12,323,994**	**5,007,991**	**503,978**	**891,989**	**600,665**	**2,314,464**	**78,053**	**284,276**

2018	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Nonrenewable electricity	16,288,928	9,258,689	4,666,699	548,860	569,901	154,706	853,606	63,396	173,072
Renewable electricity	2,909,038	1,080,800	323,712		68,702	31,623	1,249,205	38,617	116,379
Total electricity	**19,197,966**	**10,339,489**	**4,990,411**	**548,860**	**638,604**	**186,328**	**2,102,811**	**102,013**	**289,451**
Nonrenewable thermal energy	3,698,224	2,559,731	348,534	-	97,055	418,919	252,639	-	21,345
Renewable thermal energy	-	-	-	-	-	-	-	-	-
Total thermal energy	**3,698,224**	**2,559,731**	**348,534**	**-**	**97,055**	**418,919**	**252,639**	**-**	**21,345**
Other nonrenewable sources	1,196,524	857,842	201,116	-	112,833	20,183	-	-	4,550
Other renewable sources	39,670	-	-	-	-	-	39,670	-	-
Total other energy sources	**1,236,194**	**857,842**	**201,116**	**-**	**112,833**	**20,183**	**39,670**	**-**	**4,550**
Total indirect energy consumption	**24,132,384**	**13,757,062**	**5,540,060**	**548,860**	**848,492**	**625,431**	**2,395,120**	**102,013**	**315,346**

Direct and Indirect Energy Consumption per Unit of Production

FCA worldwide

	Target 2020 vs 2010	Result 2020 vs 2010	2020	2019	2018	2010 (base year)	Unit of Measurement
Mass-market vehicle assembly and stamping	-30%	-8%	6.78	6.09	6.07	7.34	GJ/vehicle produced
Mass-market vehicle engines and transmissions	n.a.*	2%	0.91	0.83	0.84	0.90	GJ/unit produced
Mass-market vehicle casting	-40%	-3%	10.60	8.32	7.60	10.92	GJ/unit produced
Mass-market vehicle others	-40%	-21%	0.27	0.19	0.20	0.34	GJ/hour of production
Maserati	-25%	19%	33.96	42.81	25.76	28.53	GJ/vehicle produced
Teksid (cast iron)	-0%	13%	10.96	10.18	9.64	9.68	GJ/ton produced
Teksid (aluminum)	-15%	-32%	33.48	34.75	35.86	49.57	GJ/ton produced
Comau	-30%	-42%	16.00	14.49	17.75	27.76	MJ/hour of production
Plastic Components	-21%	-22%	0.18	0.20	0.20	0.23	GJ/hour of production
FCA	**up to -40%**	**up to - 42%**					

* Not available.

Production [CO_2 Emissions]

CO_2 Emissions*

FCA worldwide (tons)

2020	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Direct emissions	877,603	645,443	52,689	39,068	14,529	10,057	106,844	4,840	4,134
Indirect emissions**	2,035,614	1,216,151	540,061	55,479	50,931	37,507	118,005	6,220	11,260
Total CO_2 emissions	**2,913,217**	**1,861,595**	**592,750**	**94,546**	**65,460**	**47,564**	**224,849**	**11,060**	**15,393**

2019	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Direct emissions	1,058,367	769,323	64,817	43,006	17,423	10,675	139,560	5,414	8,149
Indirect emissions**	2,427,441	1,338,495	687,777	69,477	60,782	55,562	171,327	6,086	37,935
Total CO_2 emissions	**3,485,808**	**2,107,818**	**752,595**	**112,484**	**78,204**	**66,237**	**310,887**	**11,500**	**46,084**

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	819,945	73,907	42,203	18,866	15,839	144,784	6,172	7,551
Indirect emissions**	2,608,670	1,444,096	735,671	75,150	75,794	58,637	172,294	8,489	38,540
Total CO_2 emissions	**3,737,938**	**2,264,041**	**809,578**	**117,353**	**94,660**	**74,476**	**317,078**	**14,661**	**46,091**

* 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 2020 and other regionally published factors such as the eGRID in the U.S. 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.
** Indirect emissions were calculated using the market-based method.

CO_2 Emissions per Unit of Production

FCA worldwide

	Target 2020 vs 2010	Result 2020 vs 2010	2020	2019	2018	2010 (base year)	Unit of Measurement
Mass-market vehicle assembly and stamping	-32%	-14%	0.53	0.45	0.46	0.61	tons of CO_2/vehicle produced
Mass-market vehicle engines and transmissions	n.a.*	-10%	0.10	0.10	0.09	0.12	tons of CO_2/unit produced
Mass-market vehicle casting	-35%	-16%	0.83	0.69	0.64	0.99	tons of CO_2/ton produced
Mass-market vehicle others	-35%	-40%	0.02	0.01	0.02	0.03	tons of CO_2/hour of production
Maserati	-30%	63%	3.00	3.59	2.11	1.84	tons of CO_2/vehicle produced
Teksid (cast iron)	-	16%	0.80	0.84	0.79	0.69	tons of CO_2/ton produced
Teksid (aluminum)	-15%	-60%	1.34	1.43	1.50	3.35	tons of CO_2/ton produced
Comau	-40%	-59%	1.09	0.96	1.23	2.67	kg of CO_2/hour of production
Plastic Components	-24%	-42%	0.015	0.021	0.021	0.025	tons of CO_2/hour of production
FCA	**up to -40%**	**up to -60%**					

* Not available.

Electricity from Renewable Sources

FCA worldwide

	2020	2019	2018	2010
Mass-market vehicle assembly and stamping	10.1%	11.1%	10.5%	18.0%
Mass-market vehicle engines and transmissions	7.8%	6.6%	6.5%	9.3%
Mass-market vehicle casting	-	-	-	-
Mass-market vehicle others	17.6%	27.1%	10.8%	-
Maserati	-	-	17.0%	-
Teksid	69.3%	63.1%	59.4%	53.9%
Comau	35.3%	45.1%	37.9%	0.9%
Plastic Components	21.1%	38.6%	40.2%	9.0%
Average FCA	**16.3%**	**16.7%**	**15.2%**	**19.7%**

Location-Based CO_2 Emissions

FCA worldwide (tons)

	2020	2019
Direct emissions	877,603	1,058,367
Indirect emissions	1,983,910	2,387,232
Total CO_2 emissions	**2,861,513**	**3,445,600**

CO_2 Emissions from Non-manufacturing Activities

FCA worldwide (tons)

	2020
Direct emissions	126,816
Indirect emissions	237,549
Total CO_2 emissions	**364,365**

Production [Other Manufacturing Emissions and Impacts]

Presence of Ozone Depleting Substances in Equipment

FCA worldwide (tons of trichlorofluoromethane equivalent - CFC-11e)

2020	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
CFCs	0.1	0.1	-	-	-	-	-	-	-
HCFCs	3.2	3.0	-	-	0.2	-	-	-	-
Halons	-	-	-	-	-	-	-	-	-
Methyl bromide	-	-	-	-	-	-	-	-	-
Other CFCs fully halogenated	-	-	-	-	-	-	-	-	-
Total	**3.3**	**3.0**	**-**	**-**	**0.2**	**-**	**-**	**-**	**-**

2019	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
CFCs	0.1	-	-	-	-	-	-	-	-
HCFCs	2.6	2.0	0.4	0.1	0.2	-	-	-	-
Halons	-	-	-	-	-	-	-	-	-
Methyl bromide	-	-	-	-	-	-	-	-	-
Other CFCs fully halogenated	-	-	-	-	-	-	-	-	-
Total	**2.6**	**2.0**	**0.4**	**0.1**	**0.2**	**-**	**-**	**-**	**-**

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**	**-**	**-**	**-**	**-**

Emissions of Nitrogen Oxides (NOx)*

FCA worldwide (tons)

	2020	2019	2018
Mass-market vehicle assembly and stamping	692	822	892
Mass-market vehicle engines and transmissions	59	73	80
Mass-market vehicle casting	33	37	36
Mass-market vehicle others	16	20	20
Maserati	21	23	33
Teksid	134	166	172
Comau	10	11	13
Plastic Components	9	17	16
Total NOx emissions	**974**	**1,168**	**1,263**

* Estimated emissions based on direct fuel consumption.

Emissions of Sulfur Oxides (SOx)*

FCA worldwide (tons)

	2020	2019	2018
Mass-market vehicle assembly and stamping	3	4	5
Mass-market vehicle engines and transmissions	-	-	-
Mass-market vehicle casting	-	-	-
Mass-market vehicle others	-	-	-
Maserati	-	-	-
Teksid	86	120	125
Comau	-	-	-
Plastic Components	-	-	-
Total SOx emissions	**89**	**124**	**130**

* Estimated emissions based on direct fuel consumption.

Emissions of Dust*

FCA worldwide (tons)

	2020	2019	2018
Mass-market vehicle assembly and stamping	33	41	43
Mass-market vehicle engines and transmissions	3	3	4
Mass-market vehicle casting	2	3	3
Mass-market vehicle others	1	1	1
Maserati	-	-	-
Teksid	13	18	19
Comau	-	-	-
Plastic Components	-	-	-
Total dust emissions	**52**	**66**	**69**

* Estimated emissions based on direct fuel consumption.

Emissions of Volatile Organic Compounds (VOC)

FCA worldwide (tons)

	2020	2019	2018
Mass-market vehicle assembly and stamping	9,367	12,316	13,895
Mass-market vehicle engines and transmissions	-	-	-
Mass-market vehicle casting	-	-	-
Mass-market vehicle others	-	-	-
Maserati	81	61	148
Teksid	7	8	9
Comau	1	1	2
Plastic Components	-	21	21
Total VOC emissions	**9,456**	**12,406**	**14,075**

* Estimated emissions based on direct fuel consumption.

Emissions of Volatile Organic Compounds (VOC) per Unit of Production

FCA worldwide (g/m²)

	Target 2020 vs 2010	Result 2020 vs 2010	2020	2019	2018	2010 (base year)
Mass-market vehicle assembly and stamping	-25%	-29%	23.1	23.2	24.2	32.4
Mass-market vehicle engines and transmissions	n.a.*	n.a.	-	-	-	-
Mass-market vehicle casting	n.a.*	n.a.	-	-	-	-
Mass-market vehicle others	n.a.*	n.a.	-	-	-	-
Maserati	-19%	-63%	20.6	21.5	24.1	55.3
Teksid	-68%	-63%	74.1	35.5	38.9	198.5
Comau	-0%	-48%	7.3	13.4	12.7	14.1
Plastic Components	-10%	-95%	2.7	20.7	20.7	52.3
FCA average VOC emissions	**up to -68%**	**up to -95%**	**23.1**	**23.1**	**24.2**	**33.2**

* Not applicable because no painting activities in the process.

Production [Water]

Water Withdrawal* and Discharge**

FCA worldwide (thousands of m³)

2020	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Withdrawal									
Groundwater	3,737	2,008	314	170	51	102	1,012	17	63
Municipal water supply	11,705	9,077	1,836	65	468	65	135	31	29
Surface water	300	120	-	-	-	-	180	-	-
Other	8	6	2	-	-	-	-	-	-
Total water withdrawal	**15,751**	**11,211**	**2,152**	**235**	**518**	**167**	**1,327**	**48**	**92**
Discharge									
Surface water	2,722	1,191	668	-	59	-	799	-	5
Public sewer systems	7,810	6,678	799	5	131	133	39	-	25
Other destinations	12	5	6	1	1	-	-	-	-
Total water discharge	**10,544**	**7,873**	**1,473**	**6**	**190**	**133**	**838**	**-**	**30**
Total water consumption	**5,207**	**3,338**	**679**	**229**	**328**	**34**	**489**	**48**	**62**

2019	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Withdrawal									
Groundwater	4,889	2,628	410	195	68	63	1,470	21	33
Municipal water supply	13,520	10,717	2,146	73	219	42	197	41	86
Surface water	405	191	-	-	-	-	214	-	-
Other	3	-	3	-	-	-	-	-	-
Total water withdrawal	**18,816**	**13,535**	**2,559**	**267**	**288**	**105**	**1,881**	**62**	**119**
Discharge									
Surface water	3,958	1,867	552	-	69	27	1,443	-	-
Public sewer systems	9,292	7,994	994	3	136	74	52	39	-
Other destinations	27	6	6	1	-	-	-	13	-
Total water discharge	**13,277**	**9,866**	**1,552**	**4**	**206**	**101**	**1,495**	**52**	**-**
Total water consumption	**5,540**	**3,669**	**1,007**	**263**	**82**	**4**	**386**	**10**	**119**

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**

* 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 2020.

Water Withdrawal and Discharge in Water Stressed Areas

FCA worldwide (thousands of m³)

	2020	2019
Withdrawal		
Groundwater	2,262	3,024
Municipal water supply	2,329	2,397
Surface water	-	-
Other	-	-
Total water withdrawal	**4,591**	**5,421**
Discharge		
Surface water	1,071	1,471
Public sewer systems	1,434	1,677
Other destinations	9	11
Total water discharge	**2,514**	**3,159**
Total water consumption	**2,077**	**2,262**

Water Withdrawal per Unit of Production

FCA worldwide (m³/unit of production)

	Target 2020 vs 2010	Result 2020 vs 2010	2020	2019	2018	2010 (base year)	Unit of Measurement
Mass-market vehicle assembly and stamping	-40%	-36%	3.2	3.0	3.1	5.0	m³/vehicle produced
Mass-market vehicle engines and transmissions	-52%	-43%	0.4	0.3	0.4	0.7	m³/unit produced
Mass-market vehicle casting	-15%	0%	2.1	1.6	1.6	2.1	m³/ton produced
Mass-market vehicle others	-50%	37%	0.1	-	-	0.1	m³/hour of production
Maserati	-15%	-63%	5.5	5.7	5.6	14.7	m³/vehicle produced
Teksid (cast iron)	-11%	-30%	2.2	1.9	1.8	3.2	m³/ton produced
Teksid (aluminum)	-77%	-79%	31.9	45.4	50.1	154.3	m³/ton produced
Comau	-50%	-67%	4.6	5.2	5.8	14.1	L/hour of production
Plastic Components	-50%	-25%	0.1	0.1	0.1	0.1	m³/hour of production
FCA	**up to - 77%**	**up to - 79%**					

Water Recycling Index

FCA worldwide (thousands of m³)

2020	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Total water requirement	**1,766,034**	**1,320,250**	**292,165**	**109,308**	**28,231**	**13,160**	**2,772**	**48**	**100**
of which covered by recycling	1,750,284	1,309,039	290,013	109,073	27,713	12,993	1,445	-	8
of which water withdrawal	15,751	11,211	2,152	235	518	167	1,327	48	92
Recycling Index (%)	**99.1**	**99.2**	**99.3**	**99.8**	**98.2**	**98.7**	**52.1**	**-**	**8.0**

2019	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Total water requirement	**2,220,110**	**1,668,672**	**389,512**	**116,470**	**29,814**	**11,334**	**4,027**	**62**	**218**
of which covered by recycling	2,201,293	1,655,136	386,953	116,203	29,527	11,229	2,146	-	99
of which water withdrawal	18,816	13,535	2,559	267	288	105	1,881	62	119
Recycling Index (%)	**99.2**	**99.2**	**99.3**	**99.8**	**99.0**	**99.1**	**53.3**	**-**	**45.4**

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**	**-**	**99.0**

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 m³/year	Process water effluent	no	no	no	18%

* 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)

2020	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Nonhazardous waste recovered	478,060	279,232	53,496	139	29,716	1,316	102,789	1,043	10,330
Hazardous waste recovered	15,569	11,033	2,685	-	969	239	503	75	65
Waste recovered	**493,630**	**290,265**	**56,181**	**139**	**30,685**	**1,555**	**103,292**	**1,118**	**10,395**
Nonhazardous waste to landfill	138,492	14,170	808	-	651	-	122,861	-	2
Hazardous waste to landfill	393	158	131	-	-	-	104	-	-
Waste to landfill	**138,885**	**14,328**	**939**	**-**	**651**	**-**	**122,965**	**-**	**2**
Nonhazardous waste to treatment	1,068	725	217	106	1	7	1	-	11
Hazardous waste to treatment	2,292	1,429	679	-	71	3	107	3	-
Waste to treatment	**3,360**	**2,154**	**896**	**106**	**72**	**10**	**108**	**3**	**11**
Total waste generated*	**635,875**	**306,747**	**58,016**	**245**	**31,408**	**1,565**	**226,365**	**1,121**	**10,408**

2019	FCA	Mass-Market Vehicles				Maserati	Other Activities		
		Assembly and Stamping	Engines and Transmissions	Casting	Others		Teksid	Comau	Plastic Components
Nonhazardous waste recovered	575,696	321,305	70,618	184	39,645	990	137,734	1,720	3,499
Hazardous waste recovered	19,184	13,026	3,930	-	928	248	615	124	313
Waste recovered	**594,880**	**334,331**	**74,548**	**184**	**40,573**	**1,238**	**138,349**	**1,844**	**3,812**
Nonhazardous waste to landfill	204,887	16,110	989	-	530	-	187,258	-	-
Hazardous waste to landfill	485	233	133	-	-	-	119	-	-
Waste to landfill	**205,372**	**16,343**	**1,122**	**-**	**530**	**-**	**187,377**	**-**	**-**
Nonhazardous waste to treatment	2,558	874	1,204	109	-	7	339	1	24
Hazardous waste to treatment	3,587	1,848	1,057	-	102	5	172	6	396
Waste to treatment	**6,145**	**2,723**	**2,262**	**109**	**102**	**12**	**511**	**7**	**419**
Total waste generated	**806,396**	**353,396**	**77,931**	**293**	**41,205**	**1,250**	**326,237**	**1,851**	**4,232**

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**	**-**	**725**	**-**	**223,507**	**-**	**-**
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**

* No waste transported under the terms of the Basel Convention.

Waste Generated per Unit of Production

FCA worldwide

	Target 2020 vs 2010	Result 2020 vs 2010	2020	2019	2018	2010 (base year)	Unit of Measurement
Mass-market vehicle assembly and stamping	-14%	-60%	87.7	78.5	83.3	217.2	kg/vehicle produced
Mass-market vehicle engines and transmissions	-21%	-52%	10.2	10.4	10.7	21.3	kg/unit produced
Mass-market vehicle casting	n.a.*	-99%	2.2	1.8	3.1	179.0	kg/ton produced
Mass-market vehicle others	n.a.*	247%	8.3	6.5	1.2	2.4	kg/hour of production
Maserati	-25%	-65%	51.4	67.7	77.2	147.2	kg/vehicle produced
Teksid (cast iron)	-8%	-29%	885	972	983	1,250	kg/ton produced
Teksid (aluminum)	-12%	33%	598	476	659	450	kg/ton produced
Comau	-34%	-71%	109	154	167	370	g/hour of production
Plastic Components	-30%	227%	10.1	1.9	2.1	3.1	kg/hour of production
FCA	**up to -34%**	**up to -99%**					

* Not available.

Hazardous Waste Generated per Unit of Production

FCA worldwide

	Target 2020 vs 2010	Result 2020 vs 2010	2020	2019	2018	2010 (base year)	Unit of Measurement
Mass-market vehicle assembly and stamping	-54%	-56%	3.6	3.4	3.1	8.2	kg/vehicle produced
Mass-market vehicle engines and transmissions	-75%	-73%	0.6	0.7	0.7	2.3	kg/unit produced
Mass-market vehicle casting	n.a.*	n.a.	-	-	-	-	kg/ton produced
Mass-market vehicle others	n.a.*	n.a.	0.3	0.2	0.1	-	kg/hour of production
Maserati	-25%	-44%	8.0	13.7	9.3	14.2	kg/vehicle produced
Teksid (cast iron)	-17%	-59%	2.4	1.9	2.0	5.8	kg/ton produced
Teksid (aluminum)	-17%	-83%	5.6	10.5	6.7	32.7	kg/ton produced
Comau	-57%	-92%	7.6	10.9	15.7	100.0	g/hour of production
Plastic Components	-30%	-92%	0.1	0.3	0.4	0.8	kg/hour of production
FCA	**up to -75%**	**up to -92%**					

* Not available.

Recovery of Waste

FCA worldwide (waste recovered out of waste generated)

	2020 Target	2020	2019	2018	2010
Mass-market vehicle assembly and stamping	98%	94.6%	94.6%	95.6%	94.0%
Mass-market vehicle engines and transmissions	96%	96.8%	95.7%	96.7%	84.6%
Mass-market vehicle casting	95%	56.7%	62.7%	76.9%	98.9%
Mass-market vehicle others	95%	97.7%	98.5%	88.1%	93.2%
Maserati	91%	99.4%	99.0%	91.7%	84.6%
Teksid	45%	45.6%	42.4%	37.2%	19.7%
Comau	95%	99.7%	99.6%	99.4%	66.0%
Plastic Components	90%	99.9%	90.1%	89.4%	82.6%
FCA	**up to 98%**	**up to 99.9%**			

Waste to Landfill

FCA worldwide (waste sent to landfill out of waste generated)

	2020 Target	2020	2019	2018	2010
Mass-market vehicle assembly and stamping	1%	4.7%	4.6%	3.4%	4.4%
Mass-market vehicle engines and transmissions	1%	1.6%	1.4%	0.8%	3.5%
Mass-market vehicle casting	2%	0.0%	0.0%	0.0%	1.1%
Mass-market vehicle others	2%	2.1%	1.3%	9.6%	6.2%
Maserati	0%	0.0%	0.0%	0.0%	0.0%
Teksid	70%	54.3%	57.4%	62.1%	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%**	**up to 0%**			

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 (thousand €)	Action Taken	Independent Monitoring	Protected Area Relative to Plant**
Verrone (Italy) Engine and Transmission plant	1.8	Flora - 44 species listed: 2 Endangered; 2 Vulnerable; 2 Near Threatened; 38 Least Concern	0	Biodiversity conservation activities and use of phyto-purification system for wastewater recovery and apiary for indirect air quality monitoring.	Yes	Within plant complex
Goiana (Brazil) Assembly and Stamping plant	3.0	Flora - 25 species listed: 25 threatened Fauna - 108 species listed: 10 Endangered; 22 Vulnerable; 2 Near Threatened; 33 Least Concern; 14 Not Threatened; 1 Introduced; 26 Unrated	56	Historical research on Atlantic forest fauna and flora (Zona da Mata Norte). Established a nursery of native seedlings, with production of approximately 16,000 seedlings yearly. Through 2020, cumulatively more than 100,000 native seedlings were planted, creating an ecological corridor. Conducted weekly visits to plant, nursery and biodiversity park by local schools as part of our Education Program.	Yes	Adjacent to plant (less than 5 km)
Cordoba (Argentina) Assembly and Stamping plant	3.9	Flora - 49 species listed: 1 Endangered; 3 Vulnerable; 2 Near Threatened; 43 Least Concern Fauna - 60 species listed: 3 Vulnerable; 5 Near Threatened; 52 Least Concern	3	2020 Activities carried out under the Biodiversity Project: • Greenhouse Construction • Forestation with native species - more than 350 trees (in Recreational Natural Reserve and other green sites of the plant) • In the Recreational Nature Reserve, extension of the greenhouse to a nursery, with recycled material supplied from our ecological island • Start-up of filling the lagoons • Virtual training and awareness raising to more than 60 primary and secondary schools.	Yes	Adjacent to plant (less than 5 km)
Campo Largo (Brazil) Engine and Transmission 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	0	Capture and breeding of native bees to increase pollination (year 2020).	Yes	Adjacent to plant (less than 5 km)
Jaboatão dos Guararapes (Brazil) Vehicle Component plant	0.1	Flora - 41 species listed: 41 Unrated	0	With the pandemic, we need to innovate with methods and tools that continue our environmental awareness plan. For this we created the Biodiversus - game that teaches about the immensity of species (fauna and flora) present in our plant.	No	Adjacent to plant (less than 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 production sites included in protected areas or that have an active biodiversity project in their respective areas.

Environmental Impacts of PDCs that have Implemented World Class Logistics

[*SDGs 12*]

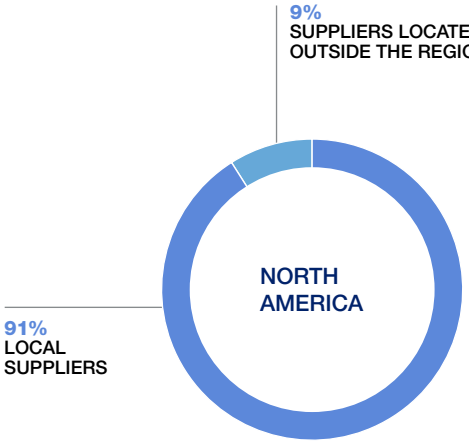
FCA worldwide

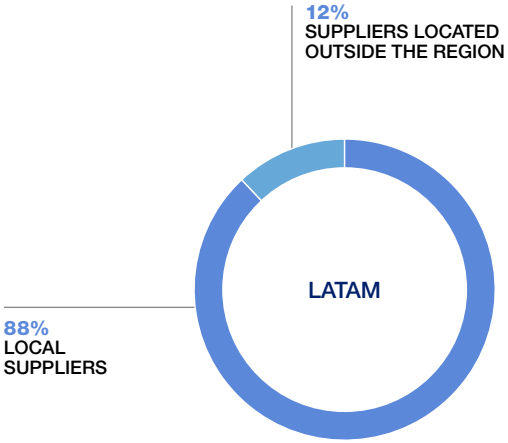
2020	Center Line (U.S.) PDC	Marysville (U.S.) PDC and Paint Shop	None & Volvera (Italy) PDCs
Water withdrawal (m^3)			
Groundwater	-	-	-
Municipal water supply	25,918	44,914	92,293
Surface water	-	-	-
Other	-	-	-
Total water withdrawal	**25,918**	**44,914**	**92,293**
Energy consumption (GJ)			
Natural gas	53,164	60,227	138,608
Diesel	-	-	146
LPG	-	-	-
Electricity	30,218	53,409	27,619
of which renewables (%)	-	-	100%
Total energy consumption	**83,382**	**113,636**	**166,373**
CO_2 emissions (tons)	**8,902**	**11,589**	**7,777**
Total waste generated (tons)	**1,059**	**1,319**	**606**
of which waste recycled (%)	78%	81%	99%

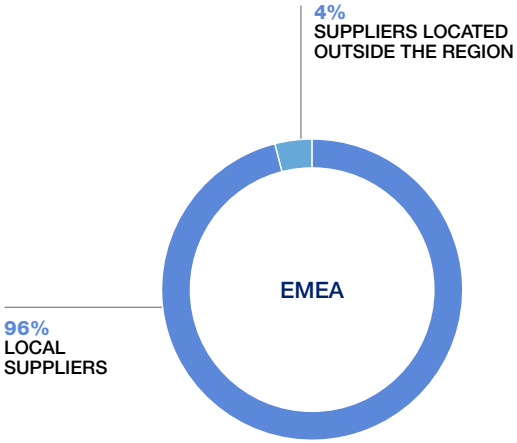
Responsible Sourcing

Value of Direct Material Purchases from Local Suppliers

FCA Purchasing worldwide

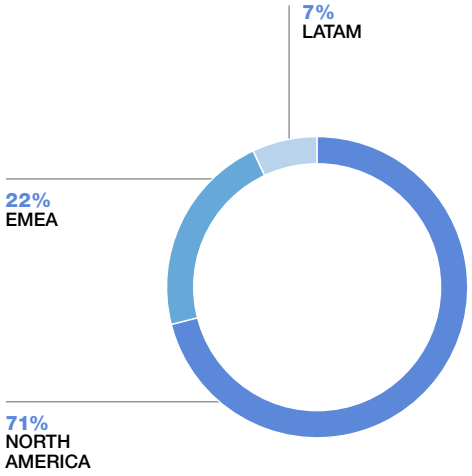






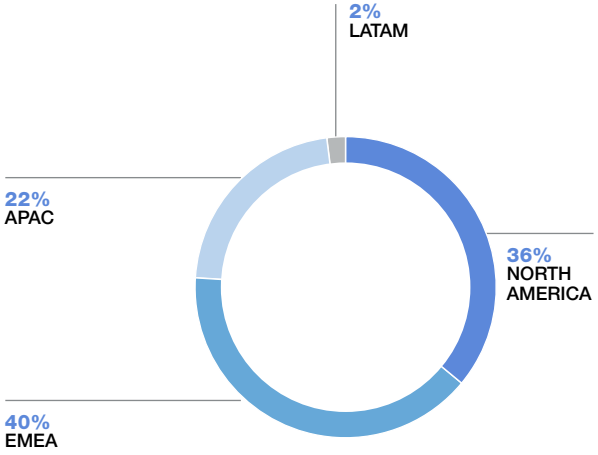
Value of Direct Material Purchases by Destination

FCA Purchasing worldwide



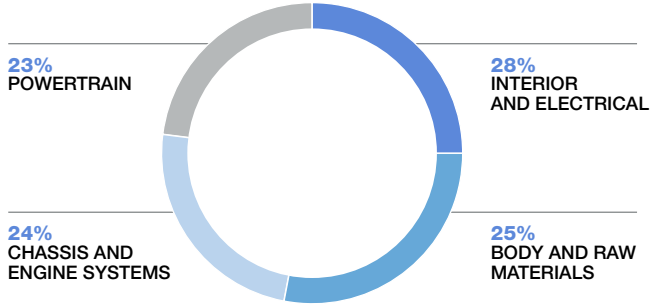
Value of Direct Material Purchases by Origin

FCA Purchasing worldwide



Value of Direct Material Purchases by Type

FCA Purchasing worldwide



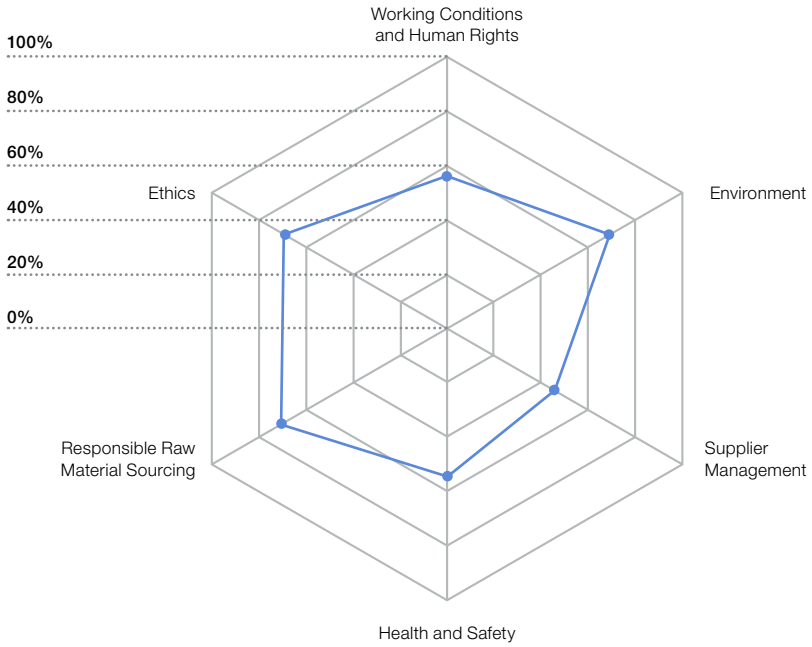
Supplier Sustainability Self-Assessment Results

FCA Purchasing worldwide

	2020	2019	2018
Suppliers who were requested to provide the self-assessment questionnaires (no.)*	1,267	2,088	2,032
Suppliers responding to questionnaire (%)	48	54	38
Purchases by value covered by responding suppliers (%)	48	62	74
Average score	66/100	78/100	81/100

* Number of questionnaires refers to Suppliers' top organization level. 2020 data refers to the new platform and questionnaire adoption.

Supplier Sustainability Self-Assessment Results
Average Score by Module



Audit Results*

FCA Purchasing worldwide

	2019	2018	2017
Sustainability audits (no.)	57	88	48
Performed by FCA personnel (Supplier Quality Engineers)	11	5	14
Performed by a third party	46	83	34
Purchases by value covered by audits (%)	15	7	3

*Considering previous years' audit coverage, difficulties due to COVID-19 pandemic and new platform adoption, we did not perform audits in 2020.

Definitions, Methodology and Scope

The Sustainability Report, now in its 17th edition, is a voluntary document issued by the Group according to GRI Sustainability Reporting Standards. To provide stakeholders a comprehensive picture of FCA activities, results and commitments in the economic, environmental and social spheres this edition marks the adoption, for the first time, of additional frameworks such as the Sustainability Accounting Standards Board (SASB) and the ISO26000. Elements of the requirements from the Task Force on Climate-Related Financial Disclosures (TCFD) are also embedded within this Report.

This appendix provides a methodology guide.

DEFINITIONS

In this Report, unless otherwise specified, the terms "we", "our", "us", the "Group", the "Company" and "FCA" refer to Fiat Chrysler Automobiles N.V., together with its subsidiaries and its predecessor prior to the completion of the merger of Fiat S.p.A. with and into Fiat Investments N.V. on October 12, 2014 (at which time Fiat Investments N.V. was renamed Fiat Chrysler Automobiles N.V., or "FCA NV"). References to "FCA US" refer to FCA US LLC, together with its direct and indirect subsidiaries. References to "operating segment" refer 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), North America (U.S., Canada, Mexico and Caribbean Islands), LATAM (South and Central America) and APAC (Asia and Pacific countries) and the Maserati global luxury brand operating segment. During 2019, our previously reported NAFTA segment was renamed North America in response to the expected ratification of the United States-Mexico-Canada Agreement (USMCA). Other than the change of name, no other changes were made to the segment. Regional headquarters are located in Turin (Italy), Auburn Hills (U.S.), Betim (Brazil), Shanghai (China) and in Modena (Italy) for the Maserati brand.

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.

References to "customer" as used in this Report refer to the end user of our products or services.

SCOPE AND BOUNDARY

On January 16, 2021, Peugeot S.A. ("PSA") merged with and into Fiat Chrysler Automobiles N.V. ("FCA" or "FCA N.V.") with FCA as the surviving company in the merger, and the combined company was renamed Stellantis N.V..

The information and data included in this Report relate to FCA legal entities worldwide falling within the scope of consolidation at December 31, 2020.

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.

In some cases, unconsolidated joint ventures 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 95 of the 109 plants[1] (covering approximately 98% of plant workers),[2] to office facilities (in total covering nearly 100% of Group employees), and to four plants of unconsolidated joint ventures, including one in Turkey and three in China
- Data on manufacturing environmental and energy performance refers to 95 of the 109 plants[3] respectively (covering nearly 100% of the Group's industrial revenues), and to four plants of unconsolidated joint ventures, including one in Turkey and three in China. Additional CO_2 emissions data has been provided in a separate table for non-manufacturing facilities (including offices and warehouses),[4] covering nearly 100% of non-manufacturing scope.

DATA, RESTATEMENT AND ROUNDING

Data is 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.

[1] Data was not considered material, and was thus not reported, for 5 plants in start-up or closing phase and for 9 plants small and/or operated by external companies or companies insourced in recent years.
[2] All employees located at a particular site, including workers assigned to manufacturing, other associated units (quality control, logistics, etc.) and to research and development.
[3] Data was not considered material, and was thus not reported, for 5 plants in start-up or closing phase and for 9 plants small and/or operated by external companies or companies insourced in recent years.
[4] Revenues attributable to activity of plants directly controlled by the Group.

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.

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. For historical data and information previously published and over which the independent auditor carried out a limited assurance engagement, please refer to 2019, 2018 and 2017 Sustainability Reports respectively.

We monitor our operations through the use of several non-generally accepted accounting principles (non-GAAP) financial measures: Net cash/(debt), Net industrial cash/(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 2020 Annual Report available online.

Data reported as a measure of FCA's manufacturing 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. Normalization factor for mass-market vehicle assembly and stamping is 3,498,671 vehicles produced.
The year 2010 is used as the baseline to measure progress to FCA's manufacturing environmental targets because 2010 was the first year FCA US was included in the scope of the Group.

Compared with data reported in the 2019 Sustainability Report, the following restatements were made:

- Data related to 2019 manufacturing indirect energy consumption in mass-market vehicle others differs due to the inclusion of data missing for renewable electricity in the Urduliz (Spain) plant. Therefore, total energy consumption, share of renewable electricity and mass-market vehicle others normalized energy per hours of production have also changed.
- Data related to 2019 manufacturing indirect CO_2 emissions in mass-market vehicle assembly and stamping and mass-market vehicle engines and transmissions differs due to incorrect data reported both for market-based and for location-based approach.
- Data related to 2019 manufacturing NOx emissions in mass-market vehicle assembly and stamping differs due to incorrect data reported.

None of the above restatements caused material variation to Group overall data and performance.

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 its 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.

REPORTING PROCESS

The document is:

- prepared by the FCA Sustainability Team that coordinates and engages subject matter experts within Group operating segments and relevant functions across various countries
- approved by the Sustainability Disclosure Committee
- 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 page 166.

Reporting Standards and Frameworks

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 2020 Sustainability Report or the 2020 Stellantis N.V. (formerly Fiat Chrysler Automobiles N.V.) Annual Report.

Key:

AR = Annual Report at December 31, 2020
SR = Sustainability Report at December 31, 2020

General standard disclosures				
GRI Standard	**Title**	**Publications**	**Page number**	**Omissions and comments**
Organizational Profile				
102-1	Name of the organization	AR SR	6,114 8, 148-149	
102-2	Activities, brands, products, and services	SR	8	
102-3	Location of headquarters	AR SR	15-16, 114 148	
102-4	Location of operations	AR SR	230 148	
102-5	Ownership and legal form	AR	17	
102-6	Markets served	AR SR	19, 30-37 8	
102-7	Scale of the organization	AR SR	13-14 8, 10-11	
102-8	Information on employees and other workers	SR	51, 116, 118-119	
102-9	Supply chain	SR	104-106, 145	
102-10	Significant changes to the organization and its supply chain	AR SR	15-16 8	
102-11	Precautionary Principle or approach	SR	41-48, 98-99	
102-12	External initiatives	SR	34, 37	
102-13	Membership of associations	SR	16	

GRI Standard	Title	Publications	Page number	Omissions and comments
Strategy				
102-14	Statement from senior decision-maker	SR	3-4	
102-15	Key impacts, risks, and opportunities	AR SR	85-89 9-11, 13-14, 41-43	
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behavior	SR	34-40	
102-17	Mechanisms for advice and concerns about ethics	SR	36, 39-40	
Governance				
102-18	Governance structure	AR SR	114-156 32-33	
102-19	Delegating Authority	AR SR	173-174 32, 34	
102-20	Executive-level responsibility for economic, environmental and social topics	SR	32-34	
102-21	Consulting stakeholders on economic, environmental and social topics	AR SR	177-178 12-13, 15-16, 34	
102-22	Composition of the highest governance bodies and its committees	AR SR	115-122 32	
102-23	Chair of the highest governance body	AR SR	115-116 32	
102-24	Nominating and selecting the highest governance body	AR SR	115-116, 128-130, 137, 149 32	
102-25	Conflicts of interest	AR SR	123 39-40	
102-26	Role of the highest governance body in setting purpose, values and strategy	AR SR	122 32-34	
102-27	Collective knowledge of highest governance body	AR SR	173-174 32-34	
102-28	Evaluating the highest governance body's performance	AR SR	122, 155 32	
102-29	Identifying and managing economic, environmental and social impacts	AR SR	173-174, 177-178 12, 15-16, 32-34	
102-30	Effectiveness of risk management	AR SR	85-89 42-48	
102-31	Review of economic, environmental, and social topics	AR SR	85-86 173-174 32-34, 43, 149	

GRI Standard	Title	Publications	Page number	Omissions and comments
Governance				
102-32	Highest governance body's role in sustainability reporting	AR SR	122, 173-174, 32, 34	
102-33	Communicating critical concerns	AR SR	85-86, 121, 175, 34, 36, 43	
102-34	Nature and total number of critical concerns	AR SR	86-89, 36, 42-43	
102-35	Remuneration polices	AR	157-158, 170	
102-36	Process for determining remuneration	AR	159-169	
102-37	Stakeholders' involvement in remuneration	AR	157	
102-38	Annual compensation ratio	AR	171-172	The full set of data is not reportable. In some countries this information is subject to confidential treatment. Within the scope of FCA's Remuneration Policy, the remuneration of the Executive Directors is determined by the FCA Board at the recommendation of the Compensation Committee. The annual Remuneration Report describes how the pay programs and practices of the Executive Directors and Non-Executive Directors were implemented in 2020, in accordance with the Remuneration Policy.
102-39	Percentage increase in annual total compensation ratio	AR	171-172	The full set of data is not reportable. In some countries this information is subject to confidential treatment. Within the scope of FCA's Remuneration Policy, the remuneration of the Executive Directors is determined by the FCA Board at the recommendation of the Compensation Committee. The annual Remuneration Report describes how the pay programs and practices of the Executive Directors and Non-Executive Directors were implemented in 2020, in accordance with the Remuneration Policy.

GRI Standard	Title	Publications	Page number	Omissions and comments
Stakeholder Engagement				
102-40	List of stakeholder groups	SR	15-16	
102-41	Collective bargaining agreements	SR	60-61	
102-42	Identifying and selecting stakeholders	SR	13-16	
102-43	Approach to stakeholder engagement	SR	13-16	
102-44	Key topics and concerns raised	SR	13-16	Key topics and concerns raised through stakeholder engagement activities (i.e. stakeholder surveys and live or face-to-face events) were considered for the 2019 revision of the Materiality Matrix, available at page 13 of this Report. As part of our dialogue, we surveyed our stakeholders on specific topics to help us identify their perceptions or general concerns. We explain how we deal with these concerns in this Report, within relevant chapters.
Reporting Practice				
102-45	Entities included in the consolidated financial statements	AR SR	230 148-149	
102-46	Defining report content and topic Boundaries	SR	12-15	In order to identify the sustainability focus areas of importance to FCA and our stakeholders, we conducted dialogue across our regions. Material topics and their boundaries were reported based on the GRI Standards for defining the report's content. More information on material topics, the associated management approach and boundaries are reported in the chapters of this Report.
102-47	List of material topics	SR	13	
102-48	Restatements of information	SR	148-149	
102-49	Changes in reporting	SR	13, 148-149	
102-50	Reporting period	SR	168	
102-51	Date of most recent previous report	SR	168	
102-52	Reporting cycle	SR	168	
102-53	Contact point for questions regarding the report	SR	168	
102-54	Claims of reporting in accordance with the GRI Standards	SR	150	
102-55	GRI content index	SR	150-162	
102-56	External assurance	SR	166	

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	13-14, 104-106	
103-2	The management approach and its components	SR	36-39, 104-114	
103-3	Evaluation of the management approach	SR	104-114	
204-1	Proportion of spending on local suppliers	SR	145	
GRI-205: Anti-Corruption (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13-14, 39-40	
103-2	The management approach and its components	SR	34-36, 39-40, 123	
103-3	Evaluation of the management approach	SR	13, 36, 39-40	
205-1	Operations assessed for risks related to corruption	SR	36	
205-2	Communication and training about anti-corruption policies and procedures	SR	35, 39-40, 123	Confidentiality constraint for 205-2 d.: this information cannot be communicated externally.
205-3	Confirmed incidents of corruption and actions taken	SR	40	Confidentiality constraint for 205-3 a. b. c.: this information cannot be communicated externally.
GRI-206: Anti-Competitive Behavior (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13-14, 39-40	
103-2	The management approach and its components	SR	34-36, 39-40, 123	
103-3	Evaluation of the management approach	SR	13, 36, 39-40	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	SR	40	
GRI-301: Materials (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13, 84-87	
103-2	The management approach and its components	SR	25, 36, 84-87	
103-3	Evaluation of the management approach	SR	25, 84-87	

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-301: Materials (2016)				
301-1	Materials used by weight or volume	SR	128	Renewable materials used in type-approved vehicles in Europe accounts for 0.3% of the average weight of materials used.
301-2	Recycled input materials used	SR	85	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	13, 79-82, 99, 130-133, 148-149	
103-2	The management approach and its components	SR	28, 39, 79-82, 99	
103-3	Evaluation of the management approach	SR	28, 79-82, 97-99	
302-1	Energy consumption within the organization	AR SR	179 130-133	
302-2	Energy consumption outside of the organization	SR	79-81	FCA reports on average energy consumption for Scope 3 - Use of sold Product based on country regulations and standards. FCA reported on CO_2 emissions from main categories of Scope 3 in the CDP Climate Change questionnaire, published yearly and publicly available.
302-3	Energy intensity	AR SR	179 99, 133	
302-4	Reduction of energy consumption	SR	99, 103	Indicator 302-4 b: FCA has several types of projects to reduce energy consumption - reducing fuel, electricity, heating, cooling and steam. As an example, in 2020 at Verrone plant (Italy) several AC outputs were closed to avoid consumption in non-occupied areas of plants/offices. This resulted in a savings in electricity.
302-5	Reductions in energy requirements of products and services	SR	79-81	

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-303: Water (2018)				
103-1	Explanation of the material topic and its Boundary	SR	13, 101, 137-139, 148-149	
103-2	The management approach and its components	SR	28, 39, 101	
103-3	Evaluation of the management approach	SR	28, 97-99, 101	
303-1	Interactions with water as a shared resource	AR SR	180 101, 111	
303-2	Management of water discharge-related impacts	SR	101	
303-3	Water withdrawal	AR SR	180 28, 101, 137-138	
303-4	Water discharge	AR SR	180 101, 137-138	
303-5	Water consumption	AR SR	180 101, 137-138	
GRI-305: Emissions (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13, 79-82, 148-149	
103-2	The management approach and its components	SR	24, 28, 39, 79-82, 100, 103	
103-3	Evaluation of the management approach	SR	24, 28, 79-82, 97-99, 100, 103	
305-1	Direct (Scope 1) GHG emissions	AR SR	179-180 100, 133-134	
305-2	Energy indirect (Scope 2) GHG emissions	AR SR	179-180 100, 133-134	
305-3	Other indirect (Scope 3) GHG emissions	SR	79-82, 103, 111	FCA reported on CO_2 emissions from main categories of Scope 3 in the CDP Climate Change questionnaire, yearly published and publicly available.
305-4	GHG emissions intensity	AR SR	179-180 28, 100, 134	
305-5	Reduction of GHG emissions	SR	100	
305-6	Emissions of ozone-depleting substances (ODS)	SR	135	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	AR SR	180 28, 136	

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-306: Effluents and Waste (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13, 148-149	
103-2	The management approach and its components	SR	28, 39, 102	
103-3	Evaluation of the management approach	SR	28, 97-99, 102	
306-1	Water discharge by quality and destination	SR	11	
306-2	Waste by type and disposal method	SR	8-9, 102, 140-142	
306-3	Significant spills	SR	101	
306-4	Transport of hazardous waste	SR	140	
306-5	Water bodies affected by water discharges and/or runoff	SR	139	
GRI-307: Environmental Compliance (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13, 39	
103-2	The management approach and its components	SR	39, 79-83, 84-87, 97-103	
103-3	Evaluation of the management approach	SR	36, 40, 86-87, 97-103	
307-1	Non-compliance with environmental laws and regulations	SR	40, 83	
GRI-308: Supplier Environmental Assessment (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13, 110-112	
103-2	The management approach and its components	SR	36, 40, 110-112	
103-3	Evaluation of the management approach	SR	110-112	
308-1	New suppliers that were screened using environmental criteria	SR	110-112	
308-2	Negative environmental impacts in the supply chain and actions taken	SR	110-112, 146-147	
GRI-401: Employment (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13-14, 49-62	
103-2	The management approach and its components	SR	20, 32-40, 49-62	
103-3	Evaluation of the management approach	SR	32-40, 49-62	
401-1	New employee hires and employee turnover	SR	122	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR	55-56	
401-3	Parental leave	SR	56, 121	401-3 c. e.: disclosure boundary is FCA Italy only.

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	13, 60-61	
103-2	The management approach and its components	SR	20, 36, 60-61, 126	
103-3	Evaluation of the management approach	SR	40, 60-61, 126	
402-1	Minimum notice periods regarding operational changes	SR	62	
GRI-403: Occupational Health and Safety (2018)				
103-1	Explanation of the material topic and its Boundary	SR	13, 57-59, 148-149	
103-2	The management approach and its components	SR	21, 36, 57-59	
103-3	Evaluation of the management approach	SR	21, 57-59	
403-1	Occupational health and safety management system	SR	21, 57-58	
403-2	Hazard identification, risk assessment, and incident investigation	SR	57-58	
403-3	Occupational health service	SR	57-58	
403-4	Worker participation, consultation, and communication on occupational health and safety	SR	57	
403-5	Worker training on occupational health and safety	SR	57, 123	
403-6	Promotion of worker health	SR	21, 55-59	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR	57-59	
403-8	Workers covered by an occupational health and safety management system	SR	21, 57-59, 130	
403-9	Work-related injuries	AR SR	186 21, 57-59, 124-125	For 403-9b the information available at the global level for external workers refers only to injuries with more than 30 days of absence and fatalities. Data collected shows zero injuries and one fatality. A materiality assessment made on a portion of FCA scope revealed external workers who are not Group employees accounted for a very small percentage (less than 3% compared with Group employees).
403-10	Work-related ill health	SR	57-59, 125	Information unavailable at the global level for 403-10 b. A materiality assessment made on a portion of FCA scope on the weight of external workers who are not Group employees revealed that external workers are a very small percentage (less than 3% compared with Group employees). Confidentiality constraint for 403-10 c.: this information cannot be communicated externally.

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-404: Training and Education (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13-14, 53-54	
103-2	The management approach and its components	SR	20, 36-37, 53-54	
103-3	Evaluation of the management approach	SR	13, 20, 36, 53-54, 92-93	
404-1	Average hours of training per year per employee	SR	123	
404-2	Programs for upgrading employee skills and transition assistance programs	SR	53-54, 92-93, 123	
404-3	Percentage of employees receiving regular performance and career development reviews	SR	53	
GRI-405: Diversity and Equal Opportunity (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13-14, 32, 36-37, 50-52	
103-2	The management approach and its components	SR	20, 32, 36-37, 50-52	
103-3	Evaluation of the management approach	SR	13, 20, 36, 40, 50-52	
405-1	Diversity of governance bodies and employees	SR	32, 116-119	
405-2	Ratio of basic salary and remuneration of women to men	SR	119-120	Confidentiality constraint for 405-2: in some countries this info rmation is subject to confidential treatment.
GRI-406: Non-Discrimination (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13, 34-35, 37, 52	
103-2	The management approach and its components	SR	20, 34-37, 52, 114	
103-3	Evaluation of the management approach	SR	13, 36-38, 40, 52, 114	
406-1	Incidents of discrimination and corrective actions taken	SR	40	Confidentiality constraint for 406-1 a. b.: this information cannot be communicated externally.

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-407: Freedom of Association and Collective Bargaining (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13, 34, 60-61, 107	
103-2	The management approach and its components	SR	20, 34, 36, 37, 60-61, 107, 126	
103-3	Evaluation of the management approach	SR	20, 107, 126	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SR	60-61, 107	
GRI-408: Child Labor (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13-14, 34-35, 37-38, 107-109, 112-115	
103-2	The management approach and its components	SR	18, 30, 34-38, 107-109	
103-3	Evaluation of the management approach	SR	13, 18, 30, 34-38, 107-109	
408-1	Operations and suppliers at significant risk for incidents of child labor	SR	36, 38, 107-109	
GRI-409: Forced or Compulsory Labor (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13-14, 34-35, 37-38, 107-109	
103-2	The management approach and its components	SR	18, 30, 34-38, 107-109	
103-3	Evaluation of the management approach	SR	13, 18, 30, 34-38, 107-109	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR	36, 38, 107-109	
GRI-412: Human Rights Assessment (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13-14, 34-35, 37-38, 107	
103-2	The management approach and its components	SR	18, 30, 34-38, 107, 123, 146	
103-3	Evaluation of the management approach	SR	13, 18, 30, 34-38, 107, 146	
412-1	Operations that have been subject to human rights reviews or impact assessments	SR	36, 38, 107, 111-112, 146	
412-2	Employee training on human rights policies or procedures	SR	35, 123	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	SR	37, 106-109	

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-414: Supplier Social Assessment (2016)				
103-1	Explanation of the material topic and its Boundary	SR	107-112	
103-2	The management approach and its components	SR	107-112	
103-3	Evaluation of the management approach	SR	107-112	
414-1	New suppliers that were screened using social criteria	SR	107-112	
414-2	Negative social impacts in the supply chain and actions taken	SR	107-112, 147	
GRI-415: Public Policy (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13, 39-40	
103-2	The management approach and its components	SR	34-35, 36, 39-40	
103-3	Evaluation of the management approach	SR	36, 39-40	
415-1	Political contributions	SR	40	
GRI-416: Customer Health and Safety (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13, 88-91	
103-2	The management approach and its components	SR	26, 36, 88-91	
103-3	Evaluation of the management approach	SR	26, 88-91	
416-1	Assessment of the health and safety impacts of product and service categories	SR	88-91	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR	91	
GRI-417: Marketing and Labeling (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13-14, 34-35	
103-2	The management approach and its components	SR	27, 34-36, 40	
103-3	Evaluation of the management approach	SR	27, 31-36	
417-1	Requirements for product and service information and labeling	SR	39-40, 85-87, 93-94	
417-2	Incidents of non-compliance concerning product and service information and labeling	SR	40	
417-3	Incidents of non-compliance concerning marketing communications	SR	40	

GRI Standard	Title	Publications	Page number	Omissions and comments
GRI-418: Customer Privacy (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13-14, 34-35, 37-38	
103-2	The management approach and its components	SR	34-36, 37-38	
103-3	Evaluation of the management approach	SR	13, 36, 38, 40	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR	40	
GRI-419: Socioeconomic Compliance (2016)				
103-1	Explanation of the material topic and its Boundary	SR	13-14, 34-35	
103-2	The management approach and its components	SR	34-36, 83	
103-3	Evaluation of the management approach	SR	13, 36, 40, 83	
419-1	Non-compliance with laws and regulations in the social and economic area	SR	40, 83	

SASB Content Index

This Report has been prepared in accordance with the SASB Transportation Standard.

The following table lists content within the document that relates to specific SASB Standards indicators. Each indicator references the appropriate pages in the 2020 Sustainability Report or the 2020 Stellantis N.V. (formerly Fiat Chrysler Automobiles N.V.) Annual Report.

Key:

AR = Annual Report at December 31, 2020
SR = Sustainability Report at December 31, 2020

SASB Content Index

Disclosure Topic	Standard Code	Activity/Accounting Metrics	Publication	Page Number
Activity Metrics	TR-AU-000.A	Number of vehicles manufactured	SR	149
	TR-AU-000.B	Number of vehicles sold	AR	13, 30-37
Product Safety	TR-AU-250a.1	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	SR	26, 90
	TR-AU-250a.2	Number of safety-related defect complaints, percentage investigated	SR	90
	TR-AU-250a.3	Number of vehicles recalled	SR	90
Labor Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	AR SR	28-29 60
	TR-AU-310a.2	Number of work stoppages and total days idle	SR	61
Fuel Economy & Use-phase Emissions	TR-AU-410a.1	Sales-weighted average passenger fleet fuel economy, by region	SR	79-82
	TR-AU-410a.2	Number of zero emission vehicles (ZEV), hybrid vehicles, and plug-in hybrid vehicles sold	SR	73
	TR-AU-410a.3	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	AR SR	21-25, 33, 39-40, 43-48, 86-87, 103-104, 181 24, 70, 72-83
Materials Sourcing	TR-AU-440a.1	Description of the management of risks associated with the use of critical materials	AR SR	101-102, 187-190, 307 15, 105-109
	TR-AU-440b.1	Total amount of waste from manufacturing, percentage recycled	AR SR	180 102, 140, 142
	TR-AU-440b.2	Weight of end-of-life material recovered, percentage recycled	-	Not applicable: managed by third parties
	TR-AU-440b.3	Average recyclability of vehicles sold	AR SR	182 86

ISO 26000 Content Index

This Report has been prepared in alignment with the ISO 26000:2010 guidelines on social responsibility.

The following table lists content within the document that is in line with the requirements of the ISO 26000 guidance. Each requirement references the appropriate pages in the 2020 Sustainability Report or the 2020 Stellantis N.V. (formerly Fiat Chrysler Automobiles N.V.) Annual Report.

Key:

AR = Annual Report at December 31, 2020
SR = Sustainability Report at December 31, 2020

ISO 26000 Content Index

ISO 26000 Core Subjects	Disclosure Number	Disclosure Title	Publication	Page number
Organizational Governance 6.2	6.2.1.1	Organizations and organizational governance	AR SR	115, 120-122 32
	6.2.1.2	Organizational governance and social responsibility	AR SR	122, 173-174 33-34
	6.2.3.1	Description of the issue	AR SR	173-174 34
	6.2.3.2	Related actions and expectations	AR SR	177-178 13-17
Human Rights 6.3	6.3.3	Human rights issue 1: Due diligence	AR SR	175-177 37-38, 107-112
	6.3.4	Human rights issue 2: Human rights risk situations	AR SR	175-177, 188-190 38, 107-109
	6.3.5	Human rights issue 3: Avoidance of complicity	AR SR	188-190 107-109
	6.3.6	Human rights issue 4: Resolving grievances	AR SR	176 36
	6.3.7	Human rights issue 5: Discrimination and vulnerable groups	SR	34, 37-38, 52, 114, 119
	6.3.8	Human rights issue 6: Civil and political rights	AR SR	28-29 37, 58, 107, 121
	6.3.9	Human rights issue 7: Economic, social and cultural rights	AR SR	155-156, 159 40, 52, 55-60, 62-64, 82, 107, 140-141
	40332	Human rights issue 8: Fundamental principles and rights at work	AR SR	147, 155-156 37-38, 60-61, 107, 126
Labour Practices 6.4	6.4.3	Labour practices issue 1: Employment and employment relationships	AR SR	28-29, 185-186 37, 52, 55, 60-62, 120
	6.4.4	Labour practices issue 2: Conditions of work and social protection	AR SR	28-29, 185-186, 287-288 55-56, 60-61, 120
	6.4.5	Labour practices issue 3: Social dialogue	AR SR	28-29, 287-288 60-61, 126
	6.4.6	Labour practices issue 4: Health and safety at work	AR SR	50, 186 21, 57-59, 107, 110, 123-126, 130
	6.4.7	Labour practices issue 5: Human development and training in the workplace	AR SR	185-186 37-38, 52-54, 123

ISO 26000 Core Subjects	Disclosure Number	Disclosure Title	Publication	Page number
The Environment 6.5	6.5.3	Environmental issue 1: Prevention of pollution	AR SR	178-181 28, 39, 84-87, 98-103, 130-143
	6.5.4	Environmental issue 2: Sustainable resource use	AR SR	178-182 28, 39, 78, 98-103, 111, 128, 130-142
	6.5.5	Environmental issue 3: Climate change mitigation and adaptation	AR SR	178-181 28, 39, 79-82, 99-100, 103, 111, 130-135
	6.5.6	Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats	AR SR	178-181 16, 28, 98-100, 143
Fair Operating Practices 6.6	6.6.3	Fair operating practices issue 1: Anti-corruption	AR SR	147, 174-175 36, 39-40, 123
	6.6.4	Fair operating practices issue 2: Responsible political involvement	SR	40
	6.6.5	Fair operating practices issue 3: Fair competition	AR SR	147-148 35, 39-40
	6.6.6	Fair operating practices issue 4: Promoting social responsibility in the value chain	AR SR	187-190 30, 104-114, 145-147
	6.6.7	Fair operating practices issue 5: Respect for property rights	AR SR	25-26, 147-148 38, 69-70, 128
Consumer Issues 6.7	6.7.3	Consumer issue 1: Fair marketing, factual and unbiased information and fair contractual	AR SR	184 84, 88-91, 95
	6.7.4	Consumer issue 2: Protecting consumers' health and safety	AR SR	181-184 85, 89-91, 93-95
	6.7.5	Consumer issue 3: Sustainable consumption	AR SR	178-183 24-25, 39, 79-82, 85-87, 93-94, 128
	6.7.6	Consumer issue 4: Consumer service, support, and complaint and dispute resolution	AR SR	184-185 40, 92-94
	6.7.7	Consumer issue 5: Consumer data protection and privacy	AR SR	147 38
	6.7.8	Consumer issue 6: Access to essential services	-	-
	6.7.9	Consumer issue 7: Education and awareness	AR SR	184-185 92-94
Community Involvement and Development 6.8	6.8.3	Community involvement and development issue 1: Community involvement	AR SR	190 23, 63-67
	6.8.4	Community involvement and development issue 2: Education and culture	AR SR	190 65
	6.8.5	Community involvement and development issue 3: Employment creation and skills development	AR SR	190 23, 62-65, 112-114
	6.8.6	Community involvement and development issue 4: Technology development and access	AR SR	190 23, 63- 65, 112-114
	6.8.7	Community involvement and development issue 5: Wealth and income creation	AR SR	188-190 63-65, 112-114, 145
	6.8.8	Community involvement and development issue 6: Health	AR SR	186 21, 55-59, 63-67
	6.8.9	Community involvement and development issue 7: Social investment	AR SR	188-190 61, 63-67, 92-93, 112-114, 145

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 Stellantis N.V.

We have carried out a limited assurance engagement on the Sustainability Report of Stellantis N.V. relating to Fiat Chrysler Automobiles N.V. scope (the "Sustainability Report") as of December 31, 2020.

On January 16, 2021, Peugeot S.A. ("PSA") merged with and into Fiat Chrysler Automobiles N.V. ("FCA" or "FCA N.V.") with FCA as the surviving company in the merger, and the combined company was renamed Stellantis N.V.. The Sustainability Report has been prepared on the basis of the scope of consolidation of the former Fiat Chrysler Automobiles N.V. and its subsidiaries at December 31, 2020 (the "former FCA Group").

Management responsibility on the preparation of the Sustainability Report

The management is responsible for the preparation of the Sustainability Report in accordance with "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative (hereinafter also "GRI Standards") as stated in the paragraphs "About this Report" and "Definitions, Methodology and Scope" of the Sustainability 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 express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards. 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. Therefore, 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.

The procedures performed on the Sustainability Report are based on our professional judgement and 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:

- 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;
- comparing the economic and financial information and data included in the Sustainability Report with those included in the Stellantis N.V. (formerly FCA N.V.) Consolidated Financial Statements as of December 31, 2020;
- 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 the former FCA Group among the four operating regions 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;

  In addition, for material information, taking into consideration the former FCA Group's activities and characteristics:
  - at the parent company's and subsidiaries' level:

    a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
    b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.

  - for the following companies and sites, FCA Italy S.p.A. – Avvocato Giovanni Agnelli Plant (AGAP) site, FCA LLC – Tipton Transmission Plant site, FCA Brasil LTDA – Campo Largo Plant site, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Stellantis N.V. relating to Fiat Chrysler Automobiles N.V. scope as of December 31, 2020 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
March 31, 2021

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 impact of the COVID-19 pandemic, the ability of the Group 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 their brands globally; its ability to offer innovative, attractive products; its 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, 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 ability to provide or arrange for access to adequate financing for dealers and retail customers and associated risks related to the establishment and operations of financial services companies; the ability to access funding to execute the Group's business plans and improve their businesses, financial condition and results of operations; a significant malfunction, disruption or security breach compromising 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; 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; the risk that the operations of Groupe PSA and FCA will not be integrated successfully and other risks and uncertainties. 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 Group's financial results, are included in the reports and filings of FCA (now known as Stellantis) with the U.S. Securities and Exchange Commission, the AMF and CONSOB and Groupe PSA's filings with the AMF.

About this Report

REPORTING PERIOD	Financial year 2020 (January 1, 2020 to December 31, 2020)
REPORTING CYCLE	Annual
DATE OF PUBLICATION	April, 2021
DOCUMENT FORMATS	PDF
REPORT SCOPE AND BOUNDARY	For the description of scope and boundary for the information provided within this Report, please refer to the section Definitions, Methodology and Scope.
REPORT CONTENT	The selection of topics for this Report is based on the results of our Corporate priorities, the dialogue with stakeholders, requirements of the Global Reporting Initiative (GRI) Sustainability Reporting Standards and other frameworks such as the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD) and the ISO26000. Refer to the section Reporting Standards and Frameworks for more information. Information and data of interest for sustainability ratings and rankings is also included . This Report includes material aspects as well as topics which are not material, but which may be of interest to selected stakeholders. Detailed environmental, social and governance indicators are reported in the Facts & Figures section.
ASSURANCE	This 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 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. 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 page 166.
PREVIOUS REPORT	The 2019 Sustainability Report was made available on fcagroup.com on April 16, 2020.
CONTACTS	Your opinion is important to us. For questions and comments regarding the report please write at: sustainability@fcagroup.com