



## **FCA Environmental Guidelines**

### **Foreword**

As a Group, FCA is conscious of the effect that our activities and products have on society and the environment, and of our role in developing solutions to reduce our environmental footprint.

FCA considers environmental protection as a key consideration to be fostered in the overall approach to business. FCA is committed to continuous improvement of the environmental performance of its operations, and to complying with all relevant legal and regulatory requirements. Moreover FCA is committed to producing and selling, in full compliance with legal and regulatory requirements, products of the highest standard in terms of environmental and safety performance, developing and implementing innovative technical solutions to minimize environmental impact and maximize safety. We also encourage the safe and eco-friendly use of our products, providing customers and dealers with information regarding the use, maintenance and dismantling of vehicles and other products.

### **A shared responsibility**

Responsibility for protecting the environment rests with everyone in the Group. Through internal communications and training, we encourage employees to take an active part in the process.

Managers and senior executives of each Group company are expected to a) transform these guidelines into operational procedures and practices, b) identify and communicate targets and deployment plans, c) promote an environmentally conscious culture, and d) set an example for all employees.

### **Operations**

FCA adopts World Class Manufacturing (WCM), a structured production system that promotes sustainable systematic improvements aimed to evaluate and address all types of wastes and losses (including injuries) by applying methods and standards with rigor and through the involvement of the entire workforce. WCM is designed to ensure our operations are flexible and competitive with the best in the world. Through WCM, actual process performances and results are monitored regularly so that their effectiveness can be assessed and, where necessary, further improvements or relevant corrective actions are established and implemented.

As an integral part of our industrial management system, we are committed to implementing and maintaining Environmental Management Systems (EMS) certified by third party organizations at all of our production plants worldwide .

We work to address environmental and climate change issues by aiming to:

- reduce energy consumption through more efficient production processes;
- limit emissions of greenhouse gases and other pollutants, by reducing the amount of energy we use, implementing innovative technical solutions, and direct and indirect promotion of renewable energy sources;
- reduce consumption of fresh water in all areas, especially where its availability is critical to the surrounding environment and population, increase its reuse and recycling, and minimize emissions of hazardous substances to water from manufacturing;
- foster responsible water consumption as part of the commitment we share with our suppliers;
- minimize the use of raw materials by promoting renewable and recycled materials in our production processes;
- encourage the use of reusable and environmentally friendly packaging and containers in order to increase material savings and reduce waste;
- minimize the production of waste:
  - o by implementing procedures designed to manage waste throughout our processes, and
  - o by limiting the use of potentially hazardous substances and promoting their substitution wherever possible;
- preserve natural habitats and their biodiversity in areas surrounding our sites.

In planning a new product or new production process, we consider its environmental compatibility in the context of technical, commercial and economic decisions. New projects include, but are not restricted to, directly managed operations (new product development; new production and other process enhancements; brownfield renovation and greenfield activities; mergers and acquisitions) and non-directly managed operations (cooperation and commercial agreements, joint venture partnerships, suppliers, dealers and other business partners).



## **Supply Chain**

We expect our non-managed operations such as suppliers, dealers, contractors, business partners, licensees, and joint venture partners to comply with all environmental-related rules and regulations and to adopt measures and standards which comply with these guidelines, contributing to an overall improvement in environmental impact throughout the value chain.

The selection of suppliers is based not only on the quality and competitiveness of their products and services, but also their adherence to social, ethical and environmental principles, which is a prerequisite to becoming a Group supplier and developing a lasting business relationship with Group companies.

The Group seeks opportunities to encourage suppliers in the development and implementation of these approaches to help reduce environmental impact.

We plan upstream and downstream logistics activities in order to reduce the distance we transport materials and products, and promote more sustainable means of transport.

When evaluating business relationships with potential partners, as well as mergers and acquisitions, we conduct due diligence which seeks to take environmental issues into account.

## **Product**

FCA evaluates the impact of its vehicles on the environment throughout their entire life cycle. We promote the use of Life Cycle Assessment (LCA) tools in order to evaluate the potential impact of our processes and products throughout their lifecycle, from research and design to final dismantling or recycling. The Company's approach to responsible vehicle development includes dedication to efficient powertrains, improved aerodynamics, weight reduction, safety, quality, increased use of renewable materials, alternative mobility solutions, and processes that are designed to train our employees with respect to environmental requirements. 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. Because the environmental impact of vehicles is affected by driving behavior, the Group also engages customers to promote eco-friendly driving.

Updated as of February 6, 2018