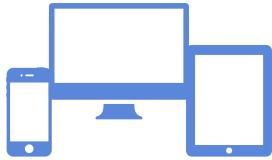




FIAT CHRYSLER AUTOMOBILES

2014  
**SUSTAINABILITY REPORT**  
Economic, Environmental and  
Social Responsibility



**All our reports are available at**

<http://2014interactivereports.fcagroup.com>

Go to the online version of the FCA Annual Reports to learn more about the Group's financial performance, sustainable development and other corporate information.

FCA makes every effort to ensure the accuracy of the sustainability information contained in our various reports. From time to time, however, figures may be updated or corrected. The online interactive version of the Sustainability Report will be considered the most current version and takes precedence over any previously printed version.

# About this Report

## Reporting period

Financial year 2014 (1 January 2014 to 31 December 2014)

## Reporting cycle

Annual

## Date of publication

April, 2015

## Document formats

PDF and interactive versions

## Report scope and boundary

- The information and data relate to FCA companies worldwide falling within the scope of consolidation at 31 December 2014
- Financial figures reflect those reported in the 2014 FCA N.V. Annual Report

## Report content

The selection of topics for this Report is based on the results of our corporate priorities, the dialogue with stakeholders, the Global Reporting Initiative G4 requirements and other sustainability ratings and rankings. This Report includes material aspects as well as topics which are not material, but which may be of interest to selected stakeholders.

## Global Reporting Initiative (GRI)

The Report is GRI-G4 in accordance - Comprehensive options.

See page 347 for full set of [indicators](#).

## Assurance

- The Report was subject to an assurance audit by SGS Nederlands B.V., an independent certification body, in compliance with the Sustainability Reporting Assurance procedure (SRA), with the GRI-G4 Guidelines, and with the AA1000 APS (2008) standard
- SGS is officially authorized to conduct AA1000 assurance audits. In addition, the Group's sustainability management system is aligned with the ISO 26000 Guidance on Social Responsibility standard, published in November 2010. The statement of assurance describing the activities carried out and the expression of opinion is provided at this [link](#).

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Your opinion is important to us. Please contact the Sustainability Team with any questions or suggestions.

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## 2014: A Year of Responsible Achievements



**€2.3 bn** invested  
to complete and upgrade FCA's  
most advanced and sustainable  
plants, Pernambuco and Melfi



**FCA** pioneer  
and leader  
in natural gas vehicles  
in Europe for over 15 years



New Compressed  
**Natural Gas**  
fleet of transport trucks  
in North America



**Ferrari**, the first  
carbon neutral  
luxury automobile brand  
in China: 111,000 trees planted  
in Inner Mongolia since 2012



Approximately  
**300 supplier ideas**  
implemented through  
the Super Program, generating  
cost savings of €43 mn



**€4.8 bn** or 17.7%  
of total purchases  
in North America  
from minority suppliers



**3,700**  
environmental  
projects  
implemented worldwide,  
leading to €54 mn in savings



**€32 mn**  
revenues generated  
through projects  
to minimize waste

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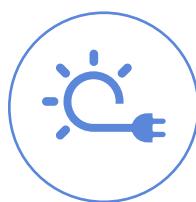
### €2.4 mn cost savings

from projects to reduce water consumption



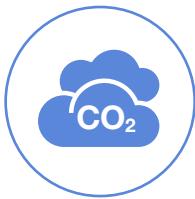
### 3.3 billion m<sup>3</sup> of water saved

at plants worldwide with recycling index reaching 99.3%



### 20.4% of electric energy used

in Group's manufacturing activities derived from renewable sources



### More than 32,000 tons of CO<sub>2</sub>

avoided since 2012 by FCA plants in India through the use of wind energy



### More than €24 mn committed

to local communities around the world



### €7.4 mn invested

in education programs through FCA-Politecnico di Torino partnership from 2014-2018



### Safety record

responsible for savings of €50 mn in state accident premiums in Italy since 2012



### Motor Citizens employee volunteer

program launched, with over 32,000 hours volunteered, impacting more than 6 million lives in the U.S. alone

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## Recognition and Awards



FCA confirmed  
in prestigious  
Dow Jones  
Sustainability  
Index World

FCA named a leader in CDP Italy  
100 Climate Disclosure Leadership Index and Climate Performance Leadership Index for 3<sup>rd</sup> year running

Euro NCAP  
5 Star  
for Jeep Renegade

U.S. IIHS Top Safety Pick  
for Dodge Dart  
and Top Safety Pick +  
for Chrysler 200

U.S. 5 Star NCAP  
for Chrysler 200 FWD,  
Jeep Grand Cherokee  
4WD, Dodge  
Challenger  
and Dodge Dart

ANCAP 5 Star  
for Maserati Ghibli

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Ram 1500  
EcoDiesel  
awarded 2015 Green  
Truck of the Year™

3.0-liter  
EcoDiesel V-6  
among Ward's  
10 Best Engines  
for 2015

Maserati Alfieri  
Concept  
wins "2014 Concept  
Car of the Year"

Magneti Marelli  
recognized as best  
sustainable supplier  
and Comau as  
perfect safety supplier  
by industry peers

Pomigliano  
plant wins  
Lean & Green  
Management Award  
2014

FCA US  
wins Best Employers  
for Healthy Lifestyles®  
Gold Award

FCA US  
earned Perfect Score  
for LGBT Workplace  
Policies and Benefits

FCA Brazilian  
Árvore da Vida  
program won the  
8<sup>th</sup> annual AEA  
Environment Award in  
the Social Responsibility  
category

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# FCA at Expo Milano 2015



## Feeding the Planet, Energy for Life

"Feeding the Planet, Energy for Life" is the central theme for Expo Milano 2015, the universal exhibition to be held in Milan from May 1 to October 31, 2015.

The event will serve as a platform for the exchange of ideas relating to several of the major challenges facing our planet, including food and food production, waste of resources and pollution.

Respect for the environment and proper use of natural resources are issues of primary concern for FCA. Concrete evidence of that concern is our commitment to a model of sustainable mobility that includes achieving continuous improvements in the environmental performance of vehicles over their entire life cycle. The Group's efforts in this area include advances in the eco-compatibility of conventional propulsion systems and development of alternative fuels and propulsion systems - primarily natural gas technology, which currently represents the most immediate and effective solution for addressing air quality in dense urban areas and can deliver reductions of up to 23% in CO<sub>2</sub> emissions compared with gasoline. The benefits of this technology could be leveraged even further through the widespread use of [biomethane](#) as a fuel source.

## Focus on Sustainability

Consistent with our focus on sustainability, FCA's role as the sustainable mobility partner for Expo 2015 includes supplying a fleet of eco-friendly cars for use during the event complete with the official Expo 2015 badging. A total of 35 Fiat 500L vehicles were delivered to the Chief Executive of Expo 2015 for use by Expo staff for the duration of the exhibition, including twenty-one natural gas Fiat 500L. An additional 50 natural gas/biomethane Fiat 500L vehicles have been made available for car-sharing by visiting delegations, together with 10 Fiat 500e electric vehicles and 10 executive sedans for use by officials. Delegates will use the fleet service via a smartphone app, which enables them to locate and select an available vehicle - reducing waiting times - as well as drop the vehicle off at any of the parking locations within the designated service area.

## Responsible Management of Production Processes

In addition to our products, our sustainability model also places major emphasis on [production processes](#) and a responsible approach to the use of raw materials and other resources.

Each year, FCA continues to set new benchmarks that provide tangible evidence of the responsible management of our production processes. We saved more than 3 billion m<sup>3</sup> of water and reduced waste from manufacturing by 65 million kilograms in 2014 alone, and in the past five years we have reduced energy and water consumption per vehicle produced by 18.5% and 36.7%, respectively.

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Another vitally important aspect of sustainability is the development of our workforce through training and initiatives that promote employee well-being, health and safety. FCA's commitment in this area also extends to the families of employees and local communities. The Group has a range of long-term initiatives aimed at promoting the autonomous development of entire communities, education and job opportunities for young people.

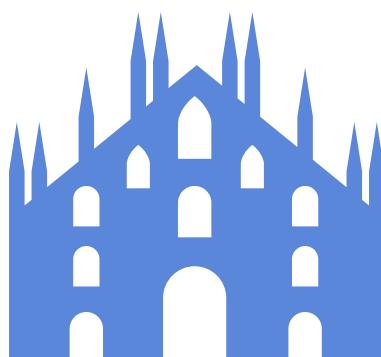
### **Eat for Health Campaign**

Also central to our operating model is the belief that achieving the highest standards in health and safety is essential to successful execution of our business activities. Through the [Health Promotion Program](#), a number of initiatives were launched at FCA sites worldwide, including education and awareness campaigns, and medical check-ups and screenings designed to promote a culture of healthy living.

In the spirit of Expo 2015, the *Eat for Health* campaign was launched at several Group plants in Italy and will be extended to other sites in the future. The primary objective of this campaign is to educate employees on healthy eating habits and promote the adoption of a healthy lifestyle.

### **Volunteer for a Day**

FCA is also a participant in the *Volunteer for a day @ Expo 2015* initiative, through which employees have the opportunity to volunteer at Expo 2015 and learn through a rewarding experience that brings them into contact with other cultures. As a result of the enthusiasm of FCA employees, all of the available volunteer slots were filled rapidly. Parents and children of employees also responded enthusiastically to the opportunity extended to them to volunteer at the Expo for a period of two weeks.



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# Our Commitment

Fiat Chrysler Automobiles carries out its mission of being a responsible and sustainable company every single day in every geographical area where we are present. The ultimate goal is to provide our customers sustainable and quality products. Our engagement in sustainability has expanded over time to involve every function within the Company, setting increasingly challenging goals that cover the entire value chain and focus on long-term progress, instead of short-term wins.

At FCA, each employee and every organization plays a role in helping the Company continue along the path of sustainability. All Group undertakings are deeply rooted in sustainability values, as the Company strives to build a more secure future for its employees, customers, suppliers, dealers and society as a whole. This sense of mutual responsibility has always been a part of the Group's history and corporate culture and has evolved and strengthened over the years, building trust in FCA among its many stakeholders.



## Letter from the Chairman

For us, the most important event of 2014 was the formal creation of Fiat Chrysler Automobiles, an integrated global automotive group. And although this changed our destiny, what has not changed is our commitment to responsible and sustainable development.

&gt;



## Letter from the Chief Executive Officer

Our business plan affirms that we are united by common values, including a deep-seated aspiration to achieve a higher purpose than just profit or self-interest. Our commitment to make a positive difference in the world includes working with others in the communities where we operate in order to assist in social and economic development while preserving the local environment.

&gt;

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## Group Profile and Brands

Fiat Chrysler Automobiles (FCA) is a global auto group that designs, engineers, manufactures and sells vehicles, components and production systems worldwide, with industrial activities located in 40 countries and commercial relationships with customers in approximately 150 countries.

&gt;



## Sustainability Governance Model

Sustainability is about ensuring long-term financial success and business viability, in part by understanding and addressing the major needs of our stakeholders who are impacted by our decisions and actions.

&gt;



## Fighting Climate Change

Across the globe, the increasingly intense effects of climate change have resulted in severe changes in weather, in the overall environment and in the biodiversity landscape. Consequently, climate change is one of the major challenges facing the world today.

&gt;



## Sustainability Plan

FCA's approach to sustainability is based on aligning the Company's projects and initiatives to ensure that value is generated responsibly through the incorporation of economic, environmental and social aspects into its business decisions.

This approach has led to the creation of a focused and disciplined method for tracking the Company's progress toward sustainable development.

&gt;



## Sustainability Leadership

Our Group's commitment to sustainability has received recognition at the global level from several leading organizations and indices.

&gt;



*This content was subject to assurance by SGS Nederlands B.V. (27 March 2015)*

## Letter from the Chairman

Dear Stakeholders,

For us, the most important event of 2014 was the formal creation of Fiat Chrysler Automobiles, an integrated global automotive group. And although this changed our destiny, what has not changed is our commitment to responsible and sustainable development.

If anything, our commitment has been strengthened. In fact, the global scale of the new organization has made our commitment to responsible and sustainable development both more important and more necessary because of the implications and opportunities associated with our activities. Every day, millions of people around the world come into contact with our Group. Conducting our activities in such a way as to ensure those interactions are beneficial and positive is very clearly one of our responsibilities.

The information provided in this Sustainability Report not only enables you to evaluate our performance, which is measured and reported according to recognized international standards, but also to better understand the concept of sustainable development behind our daily decisions.

In the Value Generation for Stakeholders section of this Report, there is an illustration of this concept and its principal components: innovation, production, distribution, relationships with customers and suppliers, and environmental and social impacts. Each of these themes represents a key area of our activities where we are committed to achieving results year after year.

As you will see, we have made concrete progress in many areas, with the creation of more than 3,000 jobs during the year and a 12% increase in spending on R&D, to cite just two examples.

In other areas, our success is measured by maintaining our acknowledged position of leadership. FCA's continued inclusion in the Dow Jones Sustainability Index and the Climate Performance Leadership Index are proof of our consistently high performance over time.

One area where we have chosen to strengthen our efforts is the continuous improvement of our products and production processes in every region. In Latin America, for example, approximately 1,500 employees submitted concrete suggestions for improvements in working methods through the BIS Program. In Europe, the number of proposals for ways to increase the efficiency of our processes and reduce costs generated through the iPropose initiative grew to around 3,500. This collective involvement is core to the World Class Manufacturing methodology applied at FCA plants worldwide and recently extended to the supplier network.

Ultimately FCA's success is also closely linked to the development of communities where we operate and in 2014 we increased the level of our investment in initiatives to benefit local communities, particularly in the area of education. The renewal of the partnership with Politecnico di Torino during the year is another example of an education initiative which, building on years of experience, has the potential to be expanded to include other universities, as has already been done with the University of Windsor in Canada.

In this Report you will be able to read more about our various initiatives and targets, which address the needs and expectations of a wide range of stakeholders. They all have one common and consistent element, however, and that is our model of sustainable development, which is fundamental to the future of our Group and everyone who is a part of it.

/s/ John Elkann

John Elkann

**Chairman**

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## Letter from the Chief Executive Officer

Dear Stakeholders,

The formal creation of Fiat Chrysler Automobiles was the highlight of a momentous year in 2014, completing the integration between Fiat and Chrysler that began some five years before. The combination of the two groups has created the world's seventh largest automaker, one that has embraced sustainability as the best path to guarantee merit and dignity to the results achieved.

We are heading out on this new journey with confidence because our people have already shown their willingness to work together and transform their different cultures and backgrounds into the most precious value of this house. In May 2014, we presented to investors and others an ambitious five-year plan to grow our business. The plan reflected our optimism about the future as well as our determination to achieve something worthwhile by building a sustainable enterprise.

Our business plan affirmed that we are united by common values, including a deep-seated aspiration to achieve a higher purpose than just profit or self-interest. Our commitment to make a positive difference in the world includes working with others in the communities where we operate in order to assist in social and economic development while preserving the local environment.

Our new state-of-the-art industrial complex in Pernambuco, Brazil, that begins production in 2015 represents a prime example of our direction. Since the planning phase, we engaged stakeholders from the region to understand community needs and align our operations to the most advanced standards of sustainability, in particular regarding environmental impact.

This is FCA's largest single industrial project ever, consisting of a highly integrated automotive hub including production facilities, R&D center, training center, proving ground and on-site supplier park. It will also be our most technologically advanced and sustainable plant. We are investing €1.3 billion in the Pernambuco project, which will employ 1,000 people at the start of production and eventually as many as 4,500 people, contributing significantly to the economic, technological and industrial development of Northeast Brazil.

The new plant will have the flexibility to build multiple models, beginning in 2015 with the Jeep Renegade. It will operate on the most advanced and efficient system, World Class Manufacturing, a crucial driver of cultural transformation that depends on an engaged workforce to improve overall quality and make plants safer, more efficient and environmentally responsible.

During the year we continued to work to further align our operations all over the world to the best manufacturing standard, according to WCM principles.

Following an investment program of more than €1 billion to produce two new models - the Jeep Renegade and the Fiat 500X - the Melfi plant in Italy is once more a model production center, one of the most advanced in the world. As a result of a strong sales start and need to increase production levels, we have already announced plans to add 1,500 new jobs at the Melfi plant.

We are also refurbishing the Mirafiori Assembly Plant in Turin to build new models including the Maserati Levante SUV, part of our strategy to focus existing production capacity in Italy on premium brands and vehicles that can generate a significant increase in export volumes.

Our ability to consistently grow our business on a global scale enables us to make investments that can have positive impacts locally, providing jobs and other economic and social benefits for the communities in which we operate.

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In another example, we opened the new Tipton Transmission Plant in Indiana in 2014 to build fuel-efficient nine-speed transmissions, with employment slated to eventually reach 850 people. In December, we also confirmed an additional \$266 million investment to increase production capacity in the nearby Kokomo Transmission Plant, our eighth North American factory and first transmission plant to earn bronze status for implementing WCM principles. Since June 2009, we have invested nearly \$1.8 billion in the Kokomo region and created 2,600 new jobs.

Those employees don't just take home paychecks. Like all the other members of the FCA team around the world, they roll up their sleeves and invest their personal time and capabilities to make their communities a better place to live.

This spirit is deeply rooted in our culture and it is at the core of our business mission, with a broader goal of sharing our growth and success with the communities where we live and work.

It is a tenet of our common values, those values upon which we have built our new global Company: commitment, respect, hard work and responsibility.

I want to thank everyone in the Group for embracing this culture and for their continuing dedication and contribution to make, every day, a difference.

Independent groups continued in 2014 to recognize our efforts to implement the principles of sustainable development. Body shops at two U.S. assembly plants, Sterling Heights and Belvidere, received Gold Certification in the LEED (Leadership in Energy and Environmental Design) Green Building Rating System. They join the Trenton South Engine Plant as winners of this recognition that is based on strict standards in site planning, water management, energy, material use and indoor environmental quality.

Our Pomigliano plant in Italy was one of six European industrial winners of the prestigious "Lean & Green Management Award 2014" which recognizes manufacturing facilities that integrate production methods as efficiently and ecologically as possible.

For the sixth consecutive year, FCA was included in the prestigious Dow Jones Sustainability Index (DJSI) World, placing the Group's economic, environmental and social performance among the world's leading companies.

Sharing the same spirit and being committed to the very same values, we also decided to support as an Official Sponsor the Global Expo that will take place in Milan in 2015. In line with the Expo's theme, "Feeding the Planet, Energy for Life," we will provide a fleet of vehicles that reflect our commitment to sustainable mobility including CNG-powered cars and electric vehicles.

These are just a few examples of how FCA continues to balance its search for economic success with social responsibility and community development, including environmental stewardship. We have come a long way the past few years because we have nourished values of merit over rank, excellence over mediocrity, competition over insularity and accountability over promises. These values, shared by men and women reaching across cultures, represent the best of humanity. We will overcome all challenges ahead and create a sustainable future as long as we continue to cherish them.

/s/ Sergio Marchionne

Sergio Marchionne

**Chief Executive Officer**

This content was subject to assurance by SGS Nederlands B.V. (27 March 2015)

# Group Profile and Brands

Fiat Chrysler Automobiles (FCA) is a global auto group that designs, engineers, manufactures and sells vehicles, components and production systems worldwide, with industrial activities located in 40 countries and commercial relationships with customers in approximately 150 countries.

The Group sells its vehicles under the Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram, Abarth, Ferrari and Maserati brands, as well as the SRT performance vehicle designation. FCA also operates in the components sector, through Magneti Marelli and Teksid, and in the production systems sector, through Comau, as well as offering after-sales services and products under the Mopar brand name.

In addition, the Group provides retail and dealer finance, leasing and rental services in support of its vehicle businesses through subsidiaries, joint ventures and commercial agreements with specialized finance providers.



FIAT CHRYSLER AUTOMOBILES



**Mass-Market  
Brands<sup>(1)</sup>**



**Luxury Brands**



**Components**



**Others**

<sup>(1)</sup> The Operating regions are: EMEA (Europe, Russia, Middle East and Africa), NAFTA (U.S., Canada and Mexico), LATAM (South and Central America) and APAC (Asia and Pacific countries).

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## Alfa Romeo

Sportiness, comfort and distinctive Italian engineering and design: every Alfa Romeo reflects the brand's tradition of sporting excellence, offering a perfect balance of performance and pure driving emotion together with the most advanced safety features.

Alfa Romeo has long been an active promoter of road safety, particularly among young drivers, and the importance of proper driver education. The brand is firmly established as a leader in this area with a wide range of initiatives including the more than 20-year-long collaboration with the International Center for Safe Driving. Founded by the former Formula One driver Andrea de Adamich, the Center offers courses that employ advanced training practices and are tailored to meet different requirements.



## Chrysler

Since it was founded in 1925, the Chrysler brand has continued to delight customers with its distinctive designs, craftsmanship and intuitively innovative technology - all at an extraordinary value. The Chrysler brand's succession of innovative product introductions continues to solidify the brand's standing as the leader in design, engineering and value. The premium for the Chrysler brand is in the product, not the price. The new 2015 Chrysler 300 model lineup features new technological powertrain and chassis solutions, including a state-of-the-art TorqueFlite eight-speed transmission standard on all models. Paired with the 3.6-liter Pentastar engine, this transmission offers best-in-class V-6 highway fuel economy.



## Dodge

Dodge, America's mainstream performance brand, has been producing vehicles with passion and style for more than 100 years. From muscle cars to compacts, minivans, crossovers and full-size SUVs, the brand's vehicles deliver best-in-class horsepower, class-exclusive technology, unmatched capability and a range of innovative features, such as LED headlamps, touchscreen infotainment centers and customizable thin-film transistor gauge clusters. In addition to power off the line and handling in corners, all Dodge models use the latest technology to balance power and efficiency like never before.



## Fiat

The quintessential symbol of Italian motoring, the brand offers customers simple and affordable, yet innovative solutions to meet their complex mobility needs.

Fiat brand models combine the Italian passion for style and originality with the maximum in versatility. The engines are designed to ensure every car is not only fun to drive, but also delivers optimum fuel efficiency and emissions performance. In relation to its long-term commitment to eco-sustainable mobility, Fiat has been recognized numerous times over the years for its wide range of natural gas vehicles. Natural gas has been described as the simplest and most cost-effective solution with the lowest environmental impact among fuels available today. In the U.S., FCA offers the Fiat 500e electric vehicle with a best-in-class 108 highway MPGe rating.

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## Fiat Professional

Fiat Professional offers large and small businesses a comprehensive range of light commercial vehicles. By designing and building the right vehicles to meet the professional needs of customers, it becomes a true partner in the growth of their business. Fiat Professional's leadership was recognized once again at the Fleet Van Awards 2014 with the title "Van Fleet Manufacturer of the Year." In addition to an excellent model range, the brand was recognized for its commitment to fleet customers and willingness to respond to input from fleet managers. Special mention was also given to the brand's new parts supply policy, for reducing downtime and improving after-sales customer service.



## Jeep

Since 1941, the Jeep brand - synonymous with off-road vehicles - has continued to deliver an open invitation to live life to the fullest, with unique, versatile and capable vehicles that provide owners with a sense of safety and security to handle any adventure with confidence. The Jeep Renegade, the latest addition to the Jeep vehicle lineup, offers numerous safety features as standard and has been awarded a five star overall safety rating by the prestigious Euro NCAP. In 2014, the Jeep brand set a new all-time sales record for the third consecutive year, with sales of more than 1 million Jeep vehicles across the globe. This figure represents an increase of 39% over the brand's 2013 record. Jeep was Europe's fastest growing brand in 2014, with new vehicle registrations up 70% over the prior year (source: ACEA).



## Lancia

With their elegance, personality and style, Lancia cars are the essence of charm and, with the numerous customization options available, they are the ideal choice for car owners who want to set themselves apart.

The Lancia brand's number one priority is to allow people to express their individual abilities and creativity. In keeping with that spirit, Lancia was recently behind an initiative in which 10 talented young filmmakers from across Europe were chosen to give their creative interpretation of the metropolitan spirit of the Ypsilon. The result was 10 short films that focused the spotlight on the models in the Ypsilon range with their unique personality, refined details and sophisticated features, such as Magic Parking - not to mention respect for the environment. Each film offered its own unconventional and imaginative expression of elegance and sophistication.



## Ram

Since its launch as a standalone brand, Ram Truck has established itself as a North American truck industry leader. Whether the customer is a family that uses its half-ton truck for daily commutes, a hard-working Ram Heavy Duty owner or a business that depends on its commercial vehicles every day, Ram has the truck market covered. Driving the brand's leadership is substantial investment in new products to infuse them with great looks, refined interiors, durable engines and features that further enhance their capabilities. The Ram 1500 EcoDiesel delivers the highest fuel economy among all full-size truck

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competitors and a variety of pioneering, fuel-saving systems and first-in-segment technologies: TorqueFlite eight-speed automatic transmission, stop-start system, thermal management system, pulse-width modulation and active aerodynamics, including grille shutters and air suspension. The highly-efficient 3.0-liter EcoDiesel V-6 was named one of Ward's 10 Best Engines for the second straight year and is the only diesel to make the list in 2015.

### Abarth



Abarth specializes in performance modification and the brand's philosophy centers around empowering customers and transforming the ordinary into the extraordinary. As the modern successor of the company founded in 1949 by Karl Abarth, a racing legend, the brand has been producing on-road sports cars since its relaunch in 2007. In addition to the pursuit of top performance, Abarth is also an active advocate for safe and responsible driving. For several years, the brand has organized the Make It Your Race competition, which, via a virtual platform, provides aspiring young drivers an up-close look at the world of racing, while also promoting the concept of safe and responsible driving on the road, as well as on the track.

### Mopar



For more than 75 years, the Mopar brand has been providing authentic parts and accessories and expert service and customer care. Mopar supports FCA customers and dealers worldwide, distributing more than 500,000 parts a year in more than 130 markets around the globe through its network of 50 Parts Distribution Centers and 11,000 ship-to locations. The brand's mission includes delivering parts that ensure vehicle serviceability and developing new accessories to increase customer satisfaction and loyalty. To meet the continuous need of FCA dealers and service centers for a skilled workforce, Mopar collaborates at the global level on professional development programs to recruit, train and place youth from a broad array of backgrounds.



### Street and Racing Technology

Formed in 2002, SRT is one of the industry's leading in-house automotive performance groups. In 2014, SRT became aligned with Dodge to develop ultimate performance vehicles for the brand. SRT creates bold, distinctive vehicles that deliver benchmark performance. More than simple machines, each SRT vehicle adheres to five proven hallmarks: awe-inspiring powertrains; outstanding ride, handling and capability; benchmark braking; aggressive and functional exteriors; and race-inspired and high-performance interiors that remain true to its performance roots. Every year, SRT offers models that combine the best in performance, emotional appeal and innovative safety features, such as the Dodge Challenger and Charger SRT Hellcats, Jeep Grand Cherokee SRT and Dodge Viper.

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## Ferrari

Ferrari has traveled a long way over the years, but its mission has remained unaltered: to make unique sports cars that represent the finest in Italian design and craftsmanship, both on the track and on the road. A symbol of sporting emotion and excellence the world over, Ferrari is the most successful name in Formula One history, winning a total of 16 constructors' championships and 15 drivers' championships. And of course, there is the impressive line-up of legendary GT models, which represent the absolute best in Italian design, engineering and luxury.

Behind every one of the marque's exceptional models are the exceptional men and women who are central to the Ferrari team. As a demonstration of its people-centered philosophy, in 1997, Ferrari undertook a comprehensive initiative spanning from workplace safety to bio-sustainable architecture, workstation ergonomics and many other areas to ensure the maximum well-being of employees. This is Formula Ferrari.



## Maserati

Elegance and engineering excellence are the hallmarks of the Trident brand and every Maserati is immediately recognizable for its purebred lines and refined personality: a mix that can be described as the absolute opposite of ordinary.

The latest generation of Maserati's flagship sedan, the Quattroporte, and the new E segment luxury sedan, the Ghibli, are engineered not only to have outstanding beauty but also be rational and sustainable, with all-wheel-drive system or diesel engine available. These choices are providing major impetus to the brand strategy that is targeting production of some 75,000 units per year within 2018 and a significantly strengthened presence in the global luxury car market.

Throughout its century-long history, Maserati has repeatedly redefined the concept of the Italian sports car, setting new standards in style, performance, luxury and safety. Testimony to this, in 2014 the Maserati Ghibli obtained the 5 star ANCAP, in addition to the prestigious international awards from 2013: 5 star Euro NCAP, "Best in Class" Euro NCAP in its category and the IIHS Top Safety Pick.

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## Comau

Comau has 40 years of experience in advanced manufacturing systems and it leads the global market in sustainable automation and service solutions.

With a strong track record in the automotive industry, today Comau actively applies its skill and know-how in a range of industries and applications including industrial automation, body welding, machining, mechanical assembly systems and a broad offering of industrial robots and services.

Continuous improvement in products, processes and services, and significant investment in research and development, have enabled the brand to position itself as a leader in its sector, meeting the expectations of the most demanding customers.

Environmental responsibility is central to the activities of Comau, which, through automated production processes and rigorous energy management, has achieved high standards in terms of energy efficiency and greenhouse gas emissions at its offices and production sites worldwide.



## Magneti Marelli

Magneti Marelli designs and produces at the global level hi-tech systems and components for the automotive sector: from lighting to engine control, electronics and suspension systems, from exhaust systems to components for the aftermarket and motorsport. Through a process of continuous innovation, Magneti Marelli seeks to leverage its technical know-how, in conjunction with the Group's cross-sector expertise in electronics, to develop intelligent systems and solutions that contribute to the evolution of safe and sustainable mobility, as well as enhance the passenger experience.

In the field of environmental sustainability, in 2014 the European Commission officially added to the list of "Eco-innovations" (under Law 443/2009 (EC) of the European Parliament) the "E-Light" low-beam LED lighting module developed by Magneti Marelli Automotive Lighting, which has been recognized as a highly innovative and efficient solution that contributes to reductions in vehicle CO<sub>2</sub> emissions.



## Teksid

Teksid is one of the world's largest producers of gray and nodular iron castings. The company is constantly upgrading and improving production quality to meet the ever more exacting needs of the global automotive industry. Teksid produces engine blocks, cylinder heads, engine components, transmission parts, gearboxes and suspensions. Through Teksid Aluminum, it is also a world leader in aluminum production technology for cylinder heads and engine components. Teksid's competitive advantages are based on 80 years of experience; a high level of automation; continuous technology upgrades to improve quality standards; and close integration with the product development activities of its customers. All of this has been achieved through the introduction of World Class Manufacturing at plants, in addition to the implementation of management systems and procedures that have led to the achievement of ISO 14001 certification for the optimization of emissions and natural resources and OHSAS 18001 certification for workplace safety.

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## Map of Principal International Agreements

### EUROPE

#### FCA Italy S.p.A. (FCAI)

and **Crédit Agricole Group** (through their French subsidiary CA Consumer Finance S.A.) JV (50/50%)  
for the financial services activities related to FCA, Maserati, Jaguar & Land Rover car sales in Europe.

In 2014, the process of transformation of FGA Capital into a bank was pursued with the aim to diversify the funding sources.

#### FCA Italy S.p.A. (FCAI) and Opel

Agreement with Opel to supply vehicles based on the Fiat Doblò platform

#### FCA Italy S.p.A. (FCAI) and Renault

Agreement for the manufacturing and supply of a light commercial vehicle based on Renault platform

#### FCA Italy S.p.A. (FCAI) and Mitsubishi

Agreement for the manufacturing and supply of a mid-size pickup truck based on Mitsubishi platform

#### FCA Italy S.p.A. (FCAI) and Mazda

Agreement for the manufacturing and supply of an "open-top two seater sports car" based on Mazda platform

#### FCA Italy S.p.A. (FCAI), CNH Industrial N.V. and EDF Fenice

Agreement for the supply of "eco-energy" services for the next four years

### ITALY and FRANCE

#### FCA Italy S.p.A. (FCAI) and PSA Peugeot Citroën Group

JV in Sevel Val di Sangro (50/50%) and Contract Manufacturing Agreement in Sevel Nord<sup>(2)</sup> for the production of light commercial vehicles for Fiat Professional, Peugeot and Citroën

### POLAND

#### FCA Italy S.p.A. (FCAI) and Ford

Agreement for the development and production of A-segment cars (Fiat 500 and Ford KA)

### TURKEY

#### FCA Italy S.p.A. (FCAI) and Koç Group

Listed JV (37.86% FGA; 37.86% Koç Group)  
Agreement for the development and production of passenger cars and light commercial vehicles for FCA (for both EMEA and NAFTA markets), Peugeot, Citroën, and Opel

### SERBIA

#### FCA Italy S.p.A. (FCAI) and the Serbian government

JV (66.7% FCA Italy; 33.3% Serbian government)  
Agreement for the production of FCA passenger cars at the plant in Kragujevac for both European and NAFTA markets

#### Magneti Marelli and Johnson Controls Automotive S.r.l.

JV (50% MM; 50% JCI)  
Agreement for the production and distribution of instrument panels, door panels, floor consoles and rear quarters to Fiat Chrysler Automobiles Serbia

### HUNGARY

#### FCA Italy S.p.A. (FCAI) and Suzuki Motor Corporation

Agreement (PDMA) for the production by Magyar Suzuki Corp. of the Fiat Sedici model in Hungary (Cooperation expired in July 2014)

### MEXICO

#### Magneti Marelli and Promatcor Inc.

JV (51% MM; 49% Promatcor)  
Agreement for the production of suspension components for Fiat Chrysler (Ducato)

### BRAZIL

#### Magneti Marelli and Faurecia Automotive do Brasil Ltda.,

JV (65% MM; 35% Faurecia)  
Agreement for the development, manufacturing, assembly and sales of instrument panels, door panels, center consoles, bumpers, cockpits and air vents to Fiat Chrysler Automoveis Brasil

#### Magneti Marelli and Sole Components S.r.l.

Agreement for the establishment of a JV (50% MM; 50% Sole Components) for the development, manufacturing, assembly and sales of plastic trims for automotive interiors and exteriors to Fiat Chrysler Automoveis Brasil

<sup>(2)</sup> JV in Sevel Nord (France) ended on 6 February 2013. Starting from that date, the production of light commercial vehicles for FGA continued under a Contract Manufacturing Agreement scheme.

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## CHINA

**FCA Italy S.p.A. (FCAI), FCA International Operations LLC and Guangzhou Automobile Group**

Framework Agreement to expand cooperation on passenger car manufacturing and sales in China

**FCA Italy S.p.A. (FCAI) and GAC Fiat Chrysler Automobiles Co. Ltd (GAC FCA)**

Agreement signed for the production of the C-Hatch Back in China by GAC FCA

**FCA Italy S.p.A. (FCAI), GAC-Fiat Chrysler Automobiles Co., Ltd (GAC FCA), FCA International Operations LLC, Guangzhou Automobile Group Co., Ltd (GACG) and Guangzhou Automobile Group Motor Co., Ltd (GACM)**  
Agreement to expand cooperation on passenger car manufacturing and sales in China

**FCA US LLC and GAC-Fiat Chrysler Automobiles Co., Ltd. (GAC FCA)**

Agreement to support the localization of the Jeep Cherokee in China by GAC FCA

**FCA International Operations LLC**

and **GAC-Fiat Chrysler Automobiles Co.,Ltd. (GAC FCA)**

Agreement to support the localization and manufacture of the Jeep Cherokee in China by GAC FCA

**Hua Dong Teksid Automotive Foundry Co., Ltd,**

JV (50% Teksid; 25% Donghua Automobile Industrial Co. Ltd; 25% Huayu Automotive System Company Limited (HUAYU))  
Agreement for the production of gray and nodular iron cylinder blocks for cars

**Magneti Marelli, Hefei Jianghuai Automotive Co., Ltd (JAC) and Hefei Lingdatang Collective Assets Management Co., Ltd (LINGDATANG)** JV (51% MM; 37% JAC; 12% Lingdatang)

Agreement for the design, development, production and distribution of exhaust systems for the Chinese market

**Magneti Marelli and Changchun Fudi Equipment Technology Development Co., Ltd (FUDI)** JV (51% MM; 49% FUDI)

Agreement for the production and distribution of powertrain systems (such as intake manifolds, throttle bodies, fuel rails, and air/fuel modules) for the Chinese market

**Magneti Marelli and Shanghai Automobile Gear Works (SAGW)**

JV (50% MM; 50% SAGW)  
Agreement for the production and distribution of hydraulic components for the Automated Manual Transmission (AMT) and hydraulic kit of Dual Clutch Transmission (DCT) for the Chinese market

**Magneti Marelli and Wanxiang Qianchao Co., Ltd**

JV (50% MM; 50% Wanxiang)  
Agreement for the design, production and distribution of automotive shock absorbers and related products for the Chinese market

**Magneti Marelli and China South Industries Group Corp. (CSI)**

JV (50% MM; 50% CSI)  
Agreement for the design, production and distribution of automotive lighting products for the Chinese market

## INDIA

**FCA Italy S.p.A. (FCAI) and TATA Motors**

Agreement on the restructuring of Fiat India Automobiles Limited and the distribution model for Fiat brand vehicles in India

**FCA Italy S.p.A. (FCAI)**

and **Fiat Group Automobiles India Private Limited** (Fiat India)  
Agreement for the distribution of Fiat brand vehicles in India

**Fiat India Automobiles Private Limited (FIAPL)**

and **Tata Motors Limited (TATA)**  
Agreement for the manufacturing and supply of Tata brand vehicles from FIAPL to TATA

**Fiat India Automobiles Private Limited (FIAPL)**

and **Fiat Group Automobiles India Private Limited** (Fiat India)  
Agreement for the manufacturing and supply of Fiat brand vehicles from FIAPL to Fiat India

**Fiat Group Automobiles India Private Limited** Wholly FCAI owned distribution company established in India. This entity commenced distribution of Fiat brand vehicles on 1 April, 2013

**Magneti Marelli and Talbros Automotive Components Ltd**

JV (50% MM; 50% Talbros)

Agreement for the design, production and distribution of suspension components and modules (such as control arms, knuckles, front and rear axles) for automobile applications in India

**Magneti Marelli, Suzuki Motor Corp. and Maruti Suzuki India Ltd**  
JV (51% MM; 30% Suzuki; 19% Maruti)

Agreement for the production and distribution of electronic control units for diesel engines in India

**Magneti Marelli and Unitech Machines Ltd** JV (51% MM; 49% UM)

Agreement for the design, production and distribution of automotive electronic systems and components (such as instrument clusters, body electronics, telematics devices) in India

**Magneti Marelli and Sumi Motherson Group**

JV (50% MM; 50% Motherson)

Agreement for the production and distribution of automotive lighting products and engine control systems (such as intake manifolds for engines) in India

**Magneti Marelli and Sumi Motherson Group**

JV (50% MM; 50% Motherson)

Agreement for the manufacturing, assembly and sales of shock absorber struts, semi corner modules and gas springs for four-wheelers and other vehicles

**Magneti Marelli and Krishna Group**

Two JVs (both 50% MM; 50% Krishna) through SKH Metals Ltd and SKH Sheet Metal Components Ltd, respectively, for the design, production and distribution of exhaust systems in India

**Magneti Marelli and Hero MotoCorp Ltd** JV (40% MM; 60% Hero)

Agreement for the design, development, production and distribution of powertrain systems for the two-wheeler market in India

## MALAYSIA

**FCA International Operations LLC, DRB-HICOM Auto solutions Sdn. Bhd. (DHAS), and Edraran Otomobil nasional berhad (EON)**  
Agreement for import of Jeep brand vehicles in Malaysia by DHAS and distribution of Jeep brand vehicles in Malaysia by EON

## INDONESIA

**FCA Italy S.p.A. (FCAI) and PT Garansindo Inter Global**

Agreement for appointing third party distributor in Indonesia for Alfa Romeo and Fiat

**FCA Italy S.p.A. (FCAI) and PT PARAMA UNGGUL OTOMOTIF**

Agreement for appointing third party distributor in Indonesia for Abarth

## NEW ZEALAND

**FCA Italy S.p.A. (FCAI)** New distributor appointed for Fiat brand vehicles in New Zealand

Current as of end of February 2015.

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## Sustainability Governance Model

Sustainability is about ensuring **long-term financial success** and **business viability**, in part by understanding and addressing the major needs of our stakeholders who are impacted by our decisions and actions.

During 2014, business functions and regions across FCA committed to evaluating the glide path of long-term commitments established in 2013 and to setting the targets which are reported, together with the previous year's results, in this Sustainability Report. Our long-term commitments reflect both ongoing changes in the automotive competitive environment and the evolution of stakeholder desires and requirements.

FCA's commitment to sustainable development is reflected in the robust, **well-established processes** and organizational structures that have been created to ensure the integration of economic decisions with those of a social and environmental nature and the investigation of related impacts. The Group's approach to business is, in fact, shaped by a culture of acting responsibly and the conviction that industrial development only has value if it is also sustainable.

Sustainability awareness throughout FCA has evolved and strengthened over the years, becoming an integral part of the strategic approach that drives the business. To reinforce our commitment throughout the entire organizational structure, a process for delegating authority from the highest governance body to management and subsequently to all employees has been in place since 2009, when responsibility for sustainability issues was assigned to the Nominating and Corporate Governance Committee which was reappointed in 2014 as the Governance and Sustainability Committee.

Since that time, several entities within the organization have assumed direct sustainability management roles. The **Sustainability Team** - with members in Italy, Brazil, China and the U.S. - plays a central role in promoting a culture of sustainability within the Group and among its various stakeholders. The team facilitates the process of continuous improvement, contributing to risk management, cost optimization, stakeholder engagement and enhancement of the Company's reputation. The team interacts with the individuals responsible for operational management of key issues (e.g., environment, energy, innovation, human resources) within each operating segment and region, as well as with the central functions, by supporting them in analyzing and reporting sustainability-related impacts and identifying potential areas for action. It also manages relationships with sustainability rating agencies, international organizations, analysts and socially responsible investors with the support of the Investor Relations team.

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The **Cross-Functional Sustainability Committee** (CSC) promotes and evaluates operational decisions and plays an advisory role for proposals submitted to the Group Executive Council (GEC) by the Sustainability Team. The CSC consists of representatives from the principal functions at the central and company levels (Business Development, Corporate Communications, Engineering, Design, Finance, GEC Coordinator, Human Resources, Industrial Relations, Institutional Relations, Internal Audit & Compliance, Manufacturing, Purchasing, Senior Counsel and Treasurer). The Sustainability Group Coordinator is also a member of the GEC.

The **Group Executive Council** (GEC), the decision-making body composed of the Chief Executive Officer (CEO), the Chief Operating Officers (COOs) of the regions and sectors and various functional heads, defines the strategic approach, approves the Guidelines and evaluates the alignment of the Sustainability Plan targets with business objectives. The GEC is periodically updated on the status of projects and FCA's overall performance on sustainability issues.

The **Governance and Sustainability Committee** (a subcommittee of the FCA Board of Directors) evaluates proposals related to strategic Guidelines on sustainability-related issues, presents opinions to the Board of Directors as necessary, and reviews the annual Sustainability Report. Consultations regarding sustainability aspects between stakeholders and the highest governance body are delegated to the Sustainability Team which is responsible for maintaining an open dialogue with internal and external stakeholders on these issues. Outcomes of this dialogue are then incorporated into the annual disclosure of the Sustainability Report and reported to the Governance and Sustainability Committee. In 2014, outcomes from sustainability-focused Stakeholder Engagement events have also been periodically reported to regional Heads of Human Resources, executives with responsibility on sustainability matters, and Chief Operating Officers (COOs) of the regions and operating segments.

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## Fighting Climate Change

Across the globe, the increasingly intense effects of climate change have resulted in severe changes in weather, in the overall environment and in the biodiversity landscape. Consequently, climate change is one of the major challenges facing the world today. The automotive industry is being called upon to help stabilize the level of greenhouse gases in the atmosphere and to take an active role in the research and development of solutions for more sustainable mobility. FCA recognizes its role in addressing climate change effects along its value chain and is committed to reducing the CO<sub>2</sub> emissions of its products and processes from design, production, distribution, use and the end-of-life phase.

There is growing recognition within both the scientific community and the general public that climate change is occurring and that the global climate is being affected by an increasing level of greenhouse gases (GHG) in the atmosphere. The Intergovernmental Panel on Climate Change (IPCC) estimated that to keep the global temperature from rising by more than 2°C, atmospheric emissions must remain under one trillion tons of CO<sub>2</sub><sup>(1)</sup>. In less than 150 years, we have burned more than halfway to this threshold, and we continue to consume at an ever-increasing rate. The fifth IPCC report states with 95% confidence that humans are the main cause of the current global warming.

This increase in human-generated CO<sub>2</sub> emissions has led many governments to implement control and regulatory measures to limit the resulting effects.

FCA is addressing this challenge responsibly. The Group believes that effective, long-lasting results to address climate change can only be achieved through an integrated approach involving energy producers, manufacturers (including suppliers), consumers, academia, the financial community and government. The Company is committed to adopting and developing solutions that are at the same time safe, environmentally-friendly and economically viable. These solutions aim to fight climate change, preserve resources and safeguard health. Accordingly, FCA continues to **focus on addressing CO<sub>2</sub> emissions** and once again, it has confirmed in its Sustainability Plan the commitment to reduce CO<sub>2</sub> emissions in:

- **engines**, by developing increasingly efficient technologies for conventional engines, expanding the use of alternative fuels (such as natural gas and biofuels), and developing alternative propulsion systems (such as hybrid or electric solutions), based on the specific energy needs and fuel availability of the various countries
- **production plants**, by cutting energy consumption levels and promoting the use of renewables
- **transport activities**, by increasing low-emission transport and involving our employees to reduce their commuting emissions
- **supplier activities**, by promoting environmental responsibility and spreading the principles and culture of World Class Manufacturing
- **office-related activities**, by monitoring and striving to reduce emissions from areas such as business travel, office activities and information technology
- **eco-responsible driving behavior**, by providing dealers and customers with information and training on vehicle use and maintenance.
- initiatives to meet new mobility needs, by providing alternative mobility solutions to customers.

FCA is also committed to maintain a **risk management system** for climate change-related risks, including increased physical risks associated with weather extremes and compliance with emission trading regulations.

<sup>(1)</sup> Source: Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC, 2013).

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## Sustainability Plan

FCA's approach to sustainability is based on aligning the Company's projects and initiatives to ensure that value is generated responsibly through the incorporation of economic, environmental and social aspects into its business decisions.

This approach has led to the creation of a focused and disciplined method for tracking the Company's progress toward sustainable development. The Sustainability Plan communicates annually to stakeholders by reporting on progress toward achievement of each goal during the current reporting year. FCA's sustainability approach has resulted in a variety of projects related to good corporate governance; environmentally responsible products, plants and processes; a healthy, safe and inclusive work environment; and constructive relationships with local communities and business partners, as these are the milestones along the Group's path of continual improvement oriented to long-term value creation.

Discover all our commitments and results.



Corporate culture  
and values



Risk management  
and opportunities



Employees



Occupational  
Health and Safety



Green ICT



Customers



Dealer and service  
network



Suppliers



Communities



Product



Plants



Logistics

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 Key target

 Target exceeded

 Target achieved or in line with glide path

 Target partially achieved

 Target postponed

## Corporate culture and values

**Commitment:** strengthen worldwide the Group's leadership position on Environment, Social and Governance aspects throughout the entire Company and for the benefit of stakeholders

Scope	Targets	2014 Results
FCA	 2020: extend and innovate the dialogue on sustainability topics reaching an increasing number of internal and external Group stakeholders worldwide	<ul style="list-style-type: none"> <li>● More than 400 internal stakeholders representing salaried and hourly employees engaged in sustainability-focused Stakeholder Engagement events in Italy, the U.S. and China</li> <li>● Outcomes from sustainability-focused Stakeholder Engagement events periodically reported to regional Head of Human Resources, Executives with responsibility on sustainability matters, Chief Operating Officers of the regions and operating segments, the Governance and Sustainability Committee at Board level</li> <li>● 250 internal sustainability network experts contributed throughout 2014 to the FCA sustainability program, representing all Group companies and business functions worldwide</li> <li>● Sustainability course available on unrestricted basis and delivered to approx. 7,630 Group salaried employees worldwide</li> <li>● Sustainability-focused network with various private and public sector stakeholders expanded through FCA participation in Expo 2015 as Official Global Sponsor and mobility partner</li> <li>● Around 6.3%<sup>(1)</sup> of FCA free float shares held by Socially Responsible Investors</li> <li>● More than 100 institutional representatives, involved in partnership with FCA, in the Biomethane Day in Isola della Scala (Verona, Italy) to promote biomethane development in Italy as a renewable fuel for transport</li> <li>● 10 investors and 10 companies from different industries reached during the roundtable "Focus on: Supply Chain" organized by CDP and Forum per la Finanza Sostenibile (Italian Forum for Sustainable Finance) to share insights and challenges about supply chain risks and sustainable and responsible investments</li> <li>● About 300 suppliers trained in supply chain sustainability principles at AIAG Corporate Responsibility Conference and during 2 Supplier Training Weeks and Supplier Panel events at FCA US Headquarters</li> <li>● Approx. 4,000 students of 14 high schools involved in FCA 4Teen project with the goal to engage young people more closely</li> <li>● Engagement with 3 U.S. universities to provide guest lectures on sustainability and participation in 9 collaborative organizations on sustainability topics, with representatives from academic, nonprofit, government and business organizations in the NAFTA region</li> </ul>
	 2020: ongoing confirmation with Group financial and non-financial stakeholders on the relevance of global and regional recognition of Group sustainability performance	<ul style="list-style-type: none"> <li>● FCA recognized among sustainability leaders and confirmed in the indices: Dow Jones Sustainability Index World, CDP Italy 100 Climate Disclosure Leadership Index (CDLI), Climate Performance Leadership Index (CPLI) 2014, Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120, ESI Excellence Europe, STOXX Global ESG Leaders, STOXX Global ESG Environmental Leaders, STOXX Global ESG Social Leaders, STOXX Global ESG Governance Leaders, ECPI Euro Ethical Equity, ECPI Emu Ethical Equity, ECPI Global Developed ESG Best in Class Equity, FTSE ECPI Italia SRI Benchmark, FTSE ECPI Italia SRI Leaders and Parks GLBT Diversity Index</li> </ul>
	 2020: incorporate on a yearly basis sustainability targets in performance management for an increasing number of employees	<ul style="list-style-type: none"> <li>● Incorporation of sustainability targets in performance management for 100% of individuals with responsibility for projects included in the 2014 FCA Sustainability Plan, for Group Executive Council members and a majority of second-level reports to heads of operating sectors and certain central functions</li> </ul>

<sup>(1)</sup> Data refers to Vigeo Shareholders Identification registered in November 2014.

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 Key target	 Target exceeded	 Target achieved or in line with glide path	 Target partially achieved	 Target postponed
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### Commitment: strengthen worldwide the Group's leadership position on Environment, Social and Governance aspects throughout the entire Company and for the benefit of stakeholders

Scope	Targets	2014 Results
FCA	⌚ 2020: further incorporation of respect for Human Rights, already included in Code of Conduct, into Group audit processes, according to local requirements and constraints	<ul style="list-style-type: none"> <li>⌚ Human rights risk self-assessment regarding child labor, young workers, labor practices, forced labor, non-discrimination, conditions of employment, security and supply chain management implemented as part of the FCA Group standard audit process in the EMEA, LATAM and APAC regions including all companies in order to cover due diligence requirements of the UN Ruggie Framework Guiding Principles</li> </ul>
	2014: conduct annual self-assessment of Board of Directors' performance	<ul style="list-style-type: none"> <li>⌚ Attendance of members at Board of Directors meeting monitored: 95.5%</li> </ul>
	2014: identification of common IT functionality and system requirements with only those variances necessary to address unique needs of each organization, to support convergence of Chrysler Group and Fiat S.p.A. compliance principles, procedures and processes	<ul style="list-style-type: none"> <li>⌚ Business Design Document specifying functional and system requirements finalized for selected modules with the Audit-specific module document scheduled for completion in 2015 and implementation by 2016 due to business complexity</li> </ul>

## Risk management and opportunities

### Commitment: continuously update the risk management system to ensure business continuity and monitor as well as prevent climate change risks, among others

Scope	Targets	2014 Results
FCA	⌚ 2020: prevent and manage the occurrence of new emerging risks to ensure business continuity and minimize economic, environmental and social impacts inside and outside the Group	<ul style="list-style-type: none"> <li>⌚ The converged FCA loss-prevention databases and methodologies enabled global transparency of risks and their potential impacts, identification of specific risk treatment priorities, and the proposal of the most effective risk mitigation strategies to senior management</li> </ul>
	2015: coordination of loss prevention activities with Business Continuity Management; creation of business resilience plans for all higher-risk facilities and supporting functions; integration of process within World Class Manufacturing framework	<ul style="list-style-type: none"> <li>⌚ Business Continuity Management coordinated with corporate loss prevention activities and the World Class Manufacturing framework; resilience plans completed and tested for all 11 higher-risk facilities</li> </ul>
	2014: fine tuning and extension of earthquake quantitative risk assessment methodology to significant Italian sites	<ul style="list-style-type: none"> <li>⌚ Earthquake quantitative risk assessment methodology further developed toward a full probabilistic approach. FRAME tool developed to consider hazard, structure fragility, failure probability and potential loss quantification. 27 FCA sites studied using the new methodology</li> </ul>
	2014: execution of specific audits to identify areas of improvement	<ul style="list-style-type: none"> <li>⌚ 9 sites analyzed. Overall plant risk ratings were within the tolerable statistical range and met the needs of the insurance market. The analysis also cited specific mitigation actions which are being pursued by the appropriate operating units</li> </ul>
	2014: integration of ERM risk drivers for risk related to deforestation	<ul style="list-style-type: none"> <li>⌚ Deforestation risk driver addressed through a survey of Group companies in early 2015, with full completion of the target expected by the end of the year</li> </ul>

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 Key target

 Target exceeded

 Target achieved or in line with glide path

 Target partially achieved

 Target postponed

## Employees

**Commitment: increase competitiveness and employer branding, leveraging workforce diversity**

Scope	Targets	2014 Results
FCA	 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	<ul style="list-style-type: none"> <li>● Internal job posting programs available to FCA employees in Argentina, Brazil, Canada, China, Czech Republic, France, Germany, India, Italy, Mexico, Poland, Japan, Serbia, Slovakia, Spain, Switzerland, Turkey, U.S., U.K. and Venezuela           <ul style="list-style-type: none"> <li>▶ accessible to 51,418 salaried and 74,330 hourly employees</li> <li>▶ 3,984 open positions managed and a total of 22,221 internal applications received</li> </ul> </li> <li>● Equal Opportunity Employer policy updated in the U.S. to include protected veterans, the disabled and gender identity</li> <li>● Hiring process in EMEA region completed, with women representing 17% to 21% of new hires employed in fields that generally have a lower ratio of women to men (Product Development, Manufacturing)</li> <li>● Talent identification process completed with focus on diversity, achieving from 7% to 22% of diversity target as identified within all regions and companies</li> </ul>

**Commitment: maximize employee ability to achieve professional and personal effectiveness on the job**

Scope	Targets	2014 Results
FCA	 2020: increase work-life balance opportunities to maximize employee satisfaction and effectiveness	<ul style="list-style-type: none"> <li>● New initiatives implemented across all regions and companies:           <ul style="list-style-type: none"> <li>▶ flexible start and quit time for all employees in Italy according to the new First-level Collective Labor Agreement (CCSL) and for 6,052 employees of FCA Italy, Fiat Services, Teksid and Magneti Marelli in Brazil</li> <li>▶ updated telecommuting program available for FCA US employees depending on job classification</li> <li>▶ child care for children of employees provided in Italy and Serbia for a total of 225 places</li> <li>▶ several company welfare initiatives in place at various locations (i.e.: banking and insurance services, pharmacy, gym, license renewal service, temporary outlet and e-commerce, parcel delivery service)</li> </ul> </li> </ul>

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 Key target	 Target exceeded	 Target achieved or in line with glide path	 Target partially achieved	 Target postponed
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## Commitment: maximize employee ability to achieve professional and personal effectiveness on the job

Scope	Targets	2014 Results
FCA	 2020: strengthen impacts on local communities through corporate volunteer programs by region, according to local policy, requirements and constraints	<p><b>European initiatives:</b></p> <ul style="list-style-type: none"> <li>● FCA Italy employee time dedication:           <ul style="list-style-type: none"> <li>▶ 61,000 hours donated for blood and bone marrow donations</li> <li>▶ 2,630 hours donated for Civil Protection initiatives</li> <li>▶ 155 hours donated for mountain rescue activities</li> </ul> </li> <li>● 15,505 hours dedicated by FCA Italy and Comau employees to speeches and lessons at universities and MBA programs</li> <p><b>North America initiatives:</b></p> <ul style="list-style-type: none"> <li>● <i>Motor Citizens</i> employee volunteer campaign launched in U.S., Canada and Mexico:           <ul style="list-style-type: none"> <li>▶ 32,852 volunteer hours</li> <li>▶ over 600 activities helped benefit 6.3 million residents in the U.S. and Canada</li> <li>▶ 78% of hours addressed basic needs fulfillment</li> <li>▶ 10% for environmental clean-up projects</li> </ul> </li> <li>● 3,359 FCA US employees participated in blood donations</li> <li>● Over 150 FCA US employees provided speeches and lessons to universities and MBA programs</li> <li>● 2,664 hours donated by Comau employees to speeches and lessons at universities and MBA programs</li> <p><b>Latin America initiatives:</b></p> <ul style="list-style-type: none"> <li>● <i>Formare</i> project continued in Brazil allowing Magneti Marelli employees to do volunteer work for nonprofit organizations during work hours:           <ul style="list-style-type: none"> <li>▶ 389 employees volunteered in 4 Formare schools located within company plants</li> <li>▶ 3,200 training hours donated</li> </ul> </li> <li>● <i>Natal Solidário</i> campaign continued in Brazil allowing Teksid employees to do volunteer work for nonprofit organizations during work hours:           <ul style="list-style-type: none"> <li>▶ approx. 1,000 hours donated</li> <li>▶ around 300 people benefited</li> </ul> </li> <li>● <i>Salão do Encontro Filhote</i> project assisted children in need from Betim area (Brazil):           <ul style="list-style-type: none"> <li>▶ 105 children exposed to social risk involved</li> </ul> </li> <li>● Additional initiatives promoted the welfare of the elderly and children across Brazil, such as 1.3 tons of food donated by 300 Fiat Services employees</li> <p><b>Asia initiatives:</b></p> <ul style="list-style-type: none"> <li>● First ever FCA Employee Family Day organized in China, India and Korea (more than 2,000 participants)</li> <li>● <i>Jaipur Foot</i> program in India provided artificial limbs to disabled people in need</li> </ul> </ul> </ul></ul>

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 Key target

 Target exceeded

 Target achieved or in line with glide path

 Target partially achieved

 Target postponed

### Commitment: acquire, develop and retain the best people through engagement, challenge and reward

Scope	Targets	2014 Results
FCA	 2020: performance of a people satisfaction survey on a regular basis	<ul style="list-style-type: none"> <li>● Several people satisfaction surveys performed in all regions and companies (involving overall about 59,000 employees), with results under evaluation for development of appropriate actions</li> </ul>
	 2020: provide long-term performance-related incentive plans and talent development programs by region, according to local requirements and constraints	<ul style="list-style-type: none"> <li>● Short- and long-term exchange programs between FCA regions rolled out to develop top talents (3 months to 2 years in length)</li> <li>● Developed long term incentive compensation plan for eligible executive talent worldwide</li> <li>● Training initiatives (MBA, specific training paths) and talent development programs delivered in FCA US with 185 participants</li> <li>● FCA Master in Business Administration launched in partnership with Turin Economics University and completed by employees across Europe from various business areas</li> <li>● EMEA Interfunctional Development Program launched for graduates of all nationalities and Functional Programs for 140 EMEA new graduate employees completed with focus on Engineering, Finance and Manufacturing</li> <li>● <i>Profissional sem fronteiras</i> development program for Teksid professional employees continued in Brazil</li> <li>● Comau Industrial Automation Master continued with about 25,000 training hours</li> <li>● Comau cross-regional Project &amp; People Management School completed in Turin, Detroit and Shanghai, with 63 students involved</li> <li>● 154 FCA US employees involved in leadership development programs within Finance, Manufacturing and Engineering</li> <li>● 50 employees from APAC region involved in an overseas development program to develop and retain talents from Legal, Finance, Product Development, Product Planning, Supply Chain and Human Resources functions</li> </ul>
	 2020: receive 15 improvement proposals per person within the World Class Manufacturing (WCM) program	<ul style="list-style-type: none"> <li>● Average of 13.7 improvement proposals per person received within the WCM program</li> </ul>
	 2020: increase employee contribution through new initiatives and channels which strengthen Group sustainable business	<ul style="list-style-type: none"> <li>● Regular communication from Company CEO informing employees on significant FCA activities</li> <li>● Sustainability sections incorporated into regional employee portals providing updates on initiatives and results</li> <li>● <i>iPropose</i> program continued in EMEA region with approx. 3,500 suggestions collected</li> <li>● <i>B/S</i> campaign continued in LATAM region with 7,188 projects suggested by 2,849 employees and 1,458 projects selected</li> <li>● Suggestions for company's life quality improvements collected by 119 working groups involving 1,141 Magneti Marelli employees worldwide</li> </ul>

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 Key target

 Target exceeded

 Target achieved or in line with glide path

 Target partially achieved

 Target postponed

## Occupational Health and Safety

**Commitment:** continue internal and external certification process for the Occupational Health and Safety Management System

Scope	Targets	2014 Results
FCA	 2020: 100% Group plants operating worldwide certified according to the highest international health and safety standards (OHSAS 18001)	<ul style="list-style-type: none"> <li>● 134 plants OHSAS 18001 certified, covering approx. 170,000 employees</li> </ul>

**Commitment:** strive for a zero accident and injury rate

Scope	Targets	2014 Results
FCA	 2020: continuous reduction of accident Frequency and Severity rates in alignment with the goal of zero lost time accidents at all Group plants worldwide	<ul style="list-style-type: none"> <li>● Frequency rate reduced for eight consecutive year with 0.15 accidents per 100,000 hours worked (-21% vs 2013 and -65.9% vs 2010)</li> <li>● Severity rate reduced for eight consecutive year with 0.05 days of absence due to accidents per 1,000 hours worked (-16.7% vs 2013 and -61.5% vs 2010)</li> </ul>

**Commitment:** minimize ergonomic risk in the workplace taking into account factors such as age and gender

Scope	Targets	2014 Results
FCA	2014: extension of European Assembly Work-Sheet (EAWS) methodology to all assembly plants in Europe	<ul style="list-style-type: none"> <li>● EAWS methodology extended to Tychy plant (Poland) with current total coverage of approx. 20,800 employees working in plants where the methodology has been adopted</li> </ul>

**Commitment:** promote a culture of health and safety in the workplace

Scope	Targets	2014 Results
FCA	2014: extension of the management information system for safety data to cover all Group plants worldwide	<ul style="list-style-type: none"> <li>● New information system available to track all health and safety data for Group plants</li> </ul>
	2014: implementation of the health and safety training platform in all regions	<ul style="list-style-type: none"> <li>● Health and safety training platform implemented in all regions and companies</li> </ul>

**Commitment:** provide a workplace that promotes employee health and well-being

Scope	Targets	2014 Results
FCA	 2020: expansion of <i>Health Promotion Program</i> to all plants worldwide, according to local needs and constraints, promoting healthy lifestyles and safe working environments	<ul style="list-style-type: none"> <li>● <i>Health Promotion Program</i> expanded to 121 plants in 16 countries, with focus on smoking cessation campaigns, nutrition education initiatives and promotion of a preventive culture through medical checks</li> </ul>

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 Key target

 Target exceeded

 Target achieved or in line with glide path

 Target partially achieved

 Target postponed

## Green ICT

### Commitment: reduce Information and Communication Technology-related energy consumption

Scope	Targets	2014 Results
FCA	 2020: replacement of 100,000 video monitors with eco-efficient devices vs 2010	<ul style="list-style-type: none"> <li>14,246 video monitors replaced with eco-efficient devices (-658 cumulative MWh vs 2010, approx. -323 tons of CO<sub>2</sub>)</li> </ul>
	 2020: extension of Green IT clauses to all relevant IT supplier contracts	<ul style="list-style-type: none"> <li>Sustainability elements introduced in technical documents for outsourcing when awarding new business and renewing contracts. Sustainability - related clauses added to the new Global Information Technology Outsourcing (ITO) Contract</li> </ul>
	 2020: further replacement and/or virtualization of servers	2010 through 2014: <ul style="list-style-type: none"> <li>Eliminated and replaced 1,317 servers</li> <li>Added 1,940 virtualized and new servers (-49,634 MWh in energy consumed and approx. -31,815 tons of CO<sub>2</sub> vs 2010)</li> </ul>
	2014: -1,349 cumulative MWh vs 2010 (approx. -911 tons of CO <sub>2</sub> ) achieved through the introduction of additional high-efficiency power supply units	 -2,143 cumulative MWh vs 2010 (approx. -1,313 tons of CO <sub>2</sub> ) achieved through the introduction of high-efficiency power supply units

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 Key target	 Target exceeded	 Target achieved or in line with glide path	 Target partially achieved	 Target postponed
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## Customers

**Commitment: continue to delight customers with our products at the global level**

Scope	Targets	2014 Results
Mass-Market Brands	 2020: achieve top quartile <sup>(2)</sup> competitive position for our vehicle portfolio, confirmed via relevant benchmark data in each region, with the objective to drive increased advocacy and loyalty for our products	<ul style="list-style-type: none"> <li>● Rate of repair in the first 90 days of ownership improved on average by 13% globally, depending on the model</li> <li>● Net Promoter Score on 3 year old vehicles improved by as much as 14% in regions with available measures</li> </ul>

**Commitment: continue to improve preventive, active and passive safety of vehicles as well as road safety performance through the use of telematic technologies and infomobility services**

Scope	Targets	2014 Results
Mass-Market Brands	 2020: continue to focus on vehicle occupant safety through advanced solutions encompassing all safety aspects while: <ul style="list-style-type: none"> <li>▶ adapting to the rapidly changing regulatory requirements and third-party ratings in all regions</li> <li>▶ maintaining high levels of structural crashworthiness while reducing vehicle weight</li> <li>▶ offering modular architectures, innovative and efficient restraint systems and providing technically advanced active safety systems for mass market vehicles including global applications</li> <li>▶ continue to be an industry leader in user-centered HMI design approaches for all safety system customer interfaces</li> </ul>	<ul style="list-style-type: none"> <li>● New office of Vehicle Safety and Regulatory Compliance established at FCA North America reporting directly to the Chief Executive Officer of FCA US</li> <li>● 2015 Dodge Dart named 2015 U.S. IIHS Top Safety Pick</li> <li>● 2015 Chrysler 200 named 2015 U.S. IIHS Top Safety Pick Plus</li> <li>● Early compliance for Ejection Mitigation feature (full U.S. compliance required by 2017) already available on 2015 Jeep Cherokee; Chrysler 200 and 300; Dodge Charger and Challenger; Ram 1500 and 2500; Fiat 500L. Feature announced on 2015 Jeep Renegade and 2016 Fiat 500X</li> <li>● Early compliance for Field of View feature (full U.S. compliance required in 2018) already available on 2015 Jeep Grand Cherokee and Cherokee; Dodge Charger, Challenger, Journey, Dart, Durango and Viper; Chrysler 200 and 300; Ram 1500, 2500, ProMaster and ProMaster City; Fiat 500L. Feature announced on 2015 Jeep Renegade and 2016 Fiat 500X</li> <li>● Electronic Parking Brake with "Safe Hold" launched on the 2015 Chrysler 200</li> <li>● Full-speed Forward Collision Warning-Plus launched on the 2015 Chrysler 200 and 300; Dodge Charger</li> <li>● U.S. NCAP overall 5-star rating achieved by 2015 Chrysler 200 FWD, Dodge Challenger, Dodge Dart and Jeep Grand Cherokee 4WD</li> <li>● Euro NCAP 5-star rating achieved by Jeep Renegade with an overall score of 80/100 (87% for adult protection, 85% for child protection, 65% for pedestrian protection and 74% for assistance safety systems)</li> <li>● China NCAP 5-star rating achieved by Fiat Ottimo</li> <li>● AutoUp Shift Abort functions enabling safe "fast tip in" maneuvers, made available on the New Fiat Uno in Brazil</li> <li>● Availability of airbag and ABS system in 100% of cars sold in Brazil</li> <li>● Availability of airbag system in 100% of cars sold in LATAM, even in countries where this is not a regulatory requirement</li> <li>● Child restraint systems, energy-absorbing front-end and hood architecture further enhanced on Jeep Renegade and Fiat 500X</li> <li>● Simulation and analysis of 150 real accidents completed</li> <li>● Internal accident database enhanced with additional 2,000 cases through the participation in the European IGLAD consortium</li> </ul>
	2015: availability of a new range of connectivity services enhancing navigation and communication	<ul style="list-style-type: none"> <li>● Connected services (Infotainment, Navigation, Safety and Convenience) launched on Fiat 500X in EMEA region</li> <li>● <i>Vehicle Health Program</i> launched which includes alert service that informs owners of key vehicle systems' status, such as powertrain, oil, fluids, brakes and safety systems</li> <li>● Uconnect Voice Texting expanded to 2015 Chrysler 200 and 300; Dodge Challenger, Charger and Durango; Jeep Cherokee, Renegade and Grand Cherokee; Ram 1500, 2500, 3500, and Chassis Cab</li> <li>● Extended SiriusXM Traffic and Travel Link services which provide traffic alerts such as accidents, construction and road closures</li> </ul>
	2014: extension of voice control with further functionalities related to media and navigation in EMEA region	<ul style="list-style-type: none"> <li>● Voice control expanded with further functionalities related to media and navigation in EMEA region to Jeep Renegade and Fiat 500X</li> </ul>

<sup>(2)</sup> Vehicle portfolio will place within the top 25% of benchmark data.

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 Key target

 Target exceeded

 Target achieved or in line with glide path

 Target partially achieved

 Target postponed

### Commitment: continue to improve preventive, active and passive safety of vehicles as well as road safety performance through the use of telematic technologies and infomobility services

Scope	Targets	2014 Results
Mass-Market Brands	<p>2014: extension of Autonomous Emergency Braking (AEB) Urban system and speed limiter to further models and introduction of driver-assist systems such as:</p> <ul style="list-style-type: none"> <li>► Autonomous Emergency Braking (AEB) Inter-Urban system for speeds up to 72 km/h</li> <li>► Traffic sign recognition</li> <li>► Advanced automatic parking brake</li> <li>► Advanced full LED front headlamps</li> </ul>	<ul style="list-style-type: none"> <li>● Autonomous Emergency Braking (AEB) Inter-Urban system (offered under the name Forward Collision Warning-Plus, which integrates three functions: Predictive Collision Warning, Advanced Brake Assist, Collision Mitigation System) made available on Jeep Cherokee, Jeep Renegade and Fiat 500X</li> <li>● Traffic sign recognition made available on new Fiat Ducato</li> <li>● Advanced automatic parking brake made available on Jeep Cherokee, Jeep Renegade and Fiat 500X</li> <li>● Advanced full LED front headlamps made available on Alfa Romeo 4C</li> <li>● Low and high speed AEB, Lane Departure Warning, Blind Spot Monitoring, Rear Camera, Rollover Occupant Ejection Mitigation and speed limiter made available on Jeep Renegade and Fiat 500X</li> </ul>
CRF	<p>2015: technological assessment of sensor and communication-based combined solutions aimed at improving recognition of dangerous situations and reducing driver distractions</p> <p>2015: availability of the standard eCall for new type-approved vehicles, following the European Commission recommendation regarding the adoption of eCall on all new vehicles in Europe by 2015<sup>(3)</sup></p>	<ul style="list-style-type: none"> <li>● Field operational technical tests with V2X applications performed in Italy, the Netherlands and Sweden. Automated maneuvers use cases and requirements defined</li> <li>● ERA GLONASS<sup>(4)</sup> standard made available for new type-approved vehicles in Russia and the Custom Union</li> <li>● Collaboration activities started with the UNECE-AECS<sup>(5)</sup> for the definition of type approval test for automatic emergency call within UNECE perimeter</li> </ul>

### Commitment: continue to improve preventive, active and passive safety of Luxury and Performance Brand vehicles

Scope	Targets	2014 Results
Luxury Brands - Maserati	2016: introduce new driver-assist and safety systems such as Active Cruise Control (ACC), Front Collision Warning (FCW) and Roll Over Mitigation	<ul style="list-style-type: none"> <li>● In 2014, Maserati Ghibli named Euro NCAP's Best-in-Class Car</li> <li>● Australia and New Zealand ANCAP 5-star rating earned by Maserati Ghibli</li> </ul>

### Commitment: strengthen the relationship with customers at the global level and achieve higher level of satisfaction

Scope	Targets	2014 Results
Mass-Market Brands	<p> 2020: adopt a global Customer Care platform to coordinate activities and processes and promote consistent best practices worldwide</p> <p> 2020: engage existing and potential new customers through innovative communication channels</p>	<ul style="list-style-type: none"> <li>● Customer Care global platform achievements: <ul style="list-style-type: none"> <li>► launched in LATAM region</li> <li>► planned in China (GAC Fiat) and Japan in 2015</li> <li>► initiated study for Australia</li> <li>► business case completed with requirements analyzed for NAFTA and EMEA regions</li> </ul> </li> <li>● Customer assistance provided in 31 different languages</li> <li>● Innovative communication channels available across regions: <ul style="list-style-type: none"> <li>► expanded Social Customer Care to 4 markets in EMEA region</li> <li>► launched Level 1 Help Desk to support Alfa Romeo and Maserati brands in U.S. market</li> <li>► added chat feature to all brand websites in NAFTA region</li> <li>► integrated communication channels to enhance customer experience, improve productivity and support future communication expansion in LATAM region</li> <li>► increased Fiat India Automobiles Limited Facebook followers to one million people</li> <li>► Augmented Reality functionality extended to Alfa Romeo Giulietta and Mito, New Lancia Y and New Ducato</li> </ul> </li> </ul>

<sup>(3)</sup> The adoption procedure for eCall by the European Parliament and the Council is still ongoing and the deadlines for implementation have been delayed to April 2018.

<sup>(4)</sup> Emergency Road Assistance based on Global Navigation Satellite System.

<sup>(5)</sup> United Nations Economic Commission for Europe on Automatic Emergency Call Systems.

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 Key target	 Target exceeded	 Target achieved or in line with glide path	 Target partially achieved	 Target postponed
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### Commitment: strengthen the relationship with customers at the global level and achieve higher level of satisfaction

Scope	Targets	2014 Results
Mass-Market Brands	 2020: achieve the highest Group level <sup>(6)</sup> of customer service across all regions	<ul style="list-style-type: none"> <li>● All customer services improved across regions with:           <ul style="list-style-type: none"> <li>▶ at least 80% of calls in 20 seconds</li> <li>▶ from 51% to 77% of complaints settled within 5 days</li> </ul> </li> </ul>
	2014: maintenance of 2013 levels of training hours per person <sup>(7)</sup> provided to phone agents at EMEA, NAFTA, LATAM and APAC Customer Contact Centers	<ul style="list-style-type: none"> <li>● Training hours per phone agent in Customer Contact Centers maintained at 2013 levels with an average of:           <ul style="list-style-type: none"> <li>▶ 42 hours in EMEA region</li> <li>▶ 40 hours in NAFTA region</li> <li>▶ 60 hours in LATAM region</li> <li>▶ 23 hours in APAC region</li> </ul> </li> </ul>

### Commitment: enhance customer relationship and service experience

Scope	Targets	2014 Results
Mass-Market Brands	2016: reach 20% more customers in 18 EU markets vs 2013 through new multichannel system of Customer Feedback	<ul style="list-style-type: none"> <li>● Reached +8% customers vs 2013</li> </ul>
	2014: set up of an upgraded real-time reporting platform in 18 EU markets to enhance customer experience	<ul style="list-style-type: none"> <li>● New platform launched in 18 EU markets<sup>(8)</sup></li> </ul>
	2014: increase in the number of NAFTA dealers offering extended service hours (weeknight and weekend hours)	<ul style="list-style-type: none"> <li>● Saturday service hours offered by 81% of total U.S. dealers (2,630): +1% vs 2013</li> </ul>
	2014: increase in the number of NAFTA dealerships offering express service	<ul style="list-style-type: none"> <li>● Express service offered by 44% of total U.S. dealers (2,630): +2% vs 2013</li> </ul>

### Commitment: promote the use of low environmental impact technologies and encourage eco-responsible customer behavior

Scope	Targets	2014 Results
Mass-Market Brands	2014: availability of Green CHECK UP campaign across markets of EMEA region	<ul style="list-style-type: none"> <li>● Mopar's Green CHECK UP multibrand campaign extended to the following 18 EMEA markets: Austria, Belgium, Denmark, France, Germany, Greece, Holland, Ireland, Italy, Luxemburg, Poland, Portugal, Russia, Spain, Sweden, South Africa, Switzerland and U.K.</li> <li>● Increased Owner Site page views by 30% over the previous year, including enhanced content for environmental sustainability and recycling of materials</li> </ul>

### Commitment: ensure responsible and customized selling practices

Scope	Targets	2014 Results
Mass-Market Brands - EMEA	2016: 40% of loyalty products on FCA Bank <sup>(9)</sup> new contract acquisition on annual basis	<ul style="list-style-type: none"> <li>● Loyalty products reached up to 35% of new contracts acquired by FCA Bank (compared with 30% in 2013)</li> </ul>
	2016: 60% of FCA Bank <sup>(9)</sup> of renewal and refinancing rate on loyalty products on annual basis	<ul style="list-style-type: none"> <li>● Renewal/refinancing rate for existing FCA Bank customers to 41% in line with 2013 result</li> </ul>

<sup>(6)</sup> Group level refers to the level of service across the four regions: EMEA, NAFTA, LATAM and APAC.

<sup>(7)</sup> Training hours do not include training dedicated to new hires.

<sup>(8)</sup> Real-time platform already launched in Russian market at the end of 2013; in Serbia it will be launched in January 2015.

<sup>(9)</sup> In January 2015 FGA Capital evolved into FCA Bank, the joint venture between FCA Italy and Crédit Agricole Consumer Finance.

This content was subject to assurance by SGS Nederlands B.V. (27 March 2015)

 Key target

 Target exceeded

 Target achieved or in line with glide path

 Target partially achieved

 Target postponed

## Dealer and service network

**Commitment: provide extensive training opportunities to standardize and expand the skills of sales force and technicians**

Scope	Targets	2014 Results
Mass-Market Brands	 2020: provision of approx. 50% of total training hours to the worldwide FCA Italy sales and after-sales force dedicated to environmental and safety-related product features, and continued growth of training hours based on demonstrated needs of the Network	<ul style="list-style-type: none"> <li>Provided 800,104 hours of training on environmental and safety features (49% of the total training hours delivered) worldwide to FCA Italy sales and after sales force (of which 448,954 in EMEA region; 344,325 in LATAM region; 6,825 in APAC region)</li> </ul>
	 2020: provision of approx. 33% of total training hours to the worldwide FCA US sales force dedicated to environmental and safety-related product features, and continued growth of training hours based on demonstrated needs of the Network	<ul style="list-style-type: none"> <li>Provided 292,987 hours of training on environmental and safety features (28% of the total training hours delivered) worldwide to FCA US sales force</li> </ul>
	 2020: provision of approx. 40% of total training hours to the worldwide FCA US technical personnel dedicated to diagnosis, repair and maintenance of eco-friendly engines and safety-related product features, and continued growth of training hours based on demonstrated needs of the Network	<ul style="list-style-type: none"> <li>Provided 618,303 hours of training on diagnosis, repair and maintenance of eco-friendly engines and safety-related product features (45% of the total training hours delivered) worldwide to FCA US technical personnel</li> </ul>
	 2020: provision of approx. 50% of total training hours to the worldwide FCA Italy sales and after-sales force through distance learning, optimizing the learning methods and the sustainability impact	<ul style="list-style-type: none"> <li>Provided 1,041,357 hours of distance learning (46% of the total training hours delivered) worldwide to FCA Italy sales and after-sales force</li> </ul>

**Commitment: reduce environmental impact of sales activities and encourage dealer network excellence**

Scope	Targets	2014 Results
Mass-Market Brands	 2017: 20% reduction of average cumulative electricity consumption measured in kWh at all Company-owned Italian dealerships compared with 2012	<ul style="list-style-type: none"> <li>Achieved an average 6.8% reduction in electricity consumption (kWh) in Company-owned Italian dealerships compared with 2012</li> </ul>
	 2017: extension of eco-efficiency guidelines and best practices progressively to private and Company-owned dealers in other countries	<ul style="list-style-type: none"> <li>Energy and water consumption monitoring extended to 33 European Company-owned dealerships</li> <li>559 Brazilian dealerships involved in a sustainability-focused program</li> </ul>
	 2014: introduce high-efficiency LED lighting systems for outdoor dealership signage to reduce energy consumption by at least -1,216 MWh	<ul style="list-style-type: none"> <li>Reduced energy consumption by 3,000 MWh, saving around 1,100 tons of CO<sub>2</sub>, through the replacement of over 14,000 lamps in outdoor private dealership signage with high-efficiency LED lighting systems</li> </ul>

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 Key target Target exceeded Target achieved or in line with glide path Target partially achieved Target postponed

## Suppliers

### Commitment: promote a culture of sustainability among employees managing supplier relationships

Scope	Targets	2014 Results
Mass-Market Brands	2014: extension of application of sustainability targets to variable compensation system for FCA buyers. Continuation of application of environmental and social targets to variable compensation system of Group Supplier Quality Engineer (SQE) managers and their teams	<ul style="list-style-type: none"> <li>Sustainability targets continued to be applied to variable compensation system of all FCA SQE managers and their teams and all buyers in EMEA, LATAM and APAC regions</li> <li>Required training that focuses on supply chain sustainability and risk management was taken by 336 Purchasing &amp; Supplier Quality employees in NAFTA region</li> </ul>

### Commitment: promote social and environmental responsibility among suppliers

Scope	Targets	2014 Results
Mass-Market Brands	 2020: strive toward a conflict free supply chain through the use of such methods as certified conflict-free smelters to address critical and emerging issues	<ul style="list-style-type: none"> <li>Continued the activity with the International Material Data System (IMDS) Steering Committee and implemented the IMDS Conflict Minerals List of basic substances and consequently updated FELIS tool</li> <li>Strengthened support for the Conflict Free Sourcing Initiative and Conflict Free Smelter Program and trained over 150 suppliers this year in conflict minerals compliance</li> <li>Enhanced requirements for supplier responses, extended list of targeted Tier 1 suppliers, and drove higher quality responses from Tier-n suppliers</li> </ul>
	 2020: enhance mineral traceability in high-risk areas for the entire supply chain	<ul style="list-style-type: none"> <li>Trained suppliers in Italy in ethical sourcing, in particular with regard to conflict minerals and understanding U.S. legislation to help in responding on conflict minerals requirements by internal policies of major customers</li> <li>Monitored and commented on the yet-to-be implemented voluntary European Union conflict minerals rule</li> </ul>
	2014: further incorporation of contractual clauses on adherence to Sustainability Guidelines in all new FCA purchase agreements	<ul style="list-style-type: none"> <li>New language added to General Terms &amp; Conditions in all new FCA purchase agreements, requiring compliance with Sustainability Guidelines for Suppliers</li> </ul>
	2014: development of second level risk map to detect and prioritize economic, environmental and social risks	<ul style="list-style-type: none"> <li>Identified common risk map criteria. Weight adjustment will be completed in first quarter of 2015</li> </ul>
	2014: beginning of collaboration with selected Tier 1 suppliers to develop a water stewardship strategy	<ul style="list-style-type: none"> <li>Led Automotive Industry Action Group (AIAG) update of the Supplier Sustainability Self-Assessment (SSSA) which increased focus on supplier water policy/strategy, water discharge or withdrawal, operations located in water-stressed areas</li> <li>Began establishing sustainable water stewardship principles to be upheld by our suppliers and cascaded through the multiple layers of the supply chain</li> <li>Continued working with selected Tier 1 suppliers toward development of water stewardship strategies for water-stressed areas</li> </ul>

### Commitment: measure and share social and environmental responsibilities together with the entire supplier base to address issues related to climate change, human rights and working conditions

Scope	Targets	2014 Results
Mass-Market Brands	 2020: all Tier 1 suppliers with potential exposure to high environmental or social risks assessed through sustainability audits or assessments; third party audits specifically conducted on strategic suppliers	<ul style="list-style-type: none"> <li>65 audits on FCA major suppliers performed by internal SQE (30 audits) and third party auditor (35 audits)</li> </ul>
	 2020: monitoring of CO <sub>2</sub> emissions of 90-100% of top Group suppliers (accounting for about 57% of purchases by value) through the CDP Supply Chain program	<ul style="list-style-type: none"> <li>88 suppliers disclosed to the CDP Supply Chain program (70% response rate), attaining an average disclosure score of 65 and an average performance band of C</li> </ul>
	2014: involvement of 370 supplier plants in World Class Manufacturing (WCM) program, the best-in-class manufacturing methodology that also addresses sustainability challenges	<ul style="list-style-type: none"> <li>Total of 389 supplier plants involved in WCM program from 2009 to 2014 (252 in EMEA, 95 in LATAM and 42 in NAFTA)</li> </ul>

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 Key target

 Target exceeded

 Target achieved or in line with glide path

 Target partially achieved

 Target postponed

## Communities

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

Scope	Targets	2014 Results
FCA	 2020: each year, expand the range of stakeholders engaged with the Group in support of self-sustaining and social-economic community development	<ul style="list-style-type: none"> <li>● Impacts and opportunities provided by the <i>Árvore da Vida</i> program in Brazil:           <ul style="list-style-type: none"> <li>▶ approx. 1,400 individuals reached in 2014 (21,414 from 2004 to 2014)</li> <li>▶ approx. €4.6 million invested in 2014 <i>Árvore da Vida</i> and other social and cultural partnerships</li> <li>▶ 25 individuals engaged in the initiative Vision of Future aimed to define next decade priorities</li> </ul> </li> <li>● Approx. €1.1 million invested in 2014 for communities near assembly plant in Kragujevac (Serbia), as part of a social and cultural partnership</li> <li>● FCA US established new volunteer partnerships with 45 nonprofit organizations</li> <li>● FCA US and Canada employees increased United Way contributions to €4.7 million</li> </ul>
	 2020: advance education and training among youth, with a particular focus on programs designed to expand science, technology, engineering and math knowledge and opportunities, including initiatives that address innovation, mobility and environmental issues	<ul style="list-style-type: none"> <li>● New FCA agreement with Politecnico of Turin (Italy) for the 2014-2018 period signed:           <ul style="list-style-type: none"> <li>▶ approx. €1.8 million contribution granted in 2014 to support the Ingegneria dell'Autoveicolo master degree course</li> <li>▶ launched 5 Voluntary Educational Programs (VEP) with trainers and tutorship provided by the Group for a total of 228 hours, of which 120 focused on environmental sustainability issues</li> </ul> </li> <li>● Launched in Italy third edition of Master course in Industrial Automotive by Comau, in partnership with Regione Piemonte and Politecnico di Torino held entirely in English, with about 540 hours of lessons</li> <li>● Impacts and opportunities provided by the <i>TechPro</i><sup>2</sup> project measured and assessed:           <ul style="list-style-type: none"> <li>▶ approx. 2,700 students trained</li> <li>▶ approx. 2.6 million hours of training provided</li> <li>▶ 731 internships, of which approx. 43% completed at FCA after-sales centers in Italy</li> <li>▶ communication between <i>TechPro</i><sup>2</sup> locations and authorized after-sales network increased to promote apprenticeship opportunities</li> <li>▶ rollout of Service Advisor training initiative in Italy and Poland</li> <li>▶ launch of Virtual Classroom initiative to facilitate and strengthen the opportunity for internships at territorial level</li> </ul> </li> <li>● Investment of €170,817 in <i>FIRST Robotics</i> programs for U.S. and Canada middle school and high school students:           <ul style="list-style-type: none"> <li>▶ 1,035 students participated</li> <li>▶ 47 schools involved</li> <li>▶ 71 employee mentors contributed over 2,000 hours</li> </ul> </li> <li>● About 900 employee families participated in the first Fun &amp; Green event at the assembly plant in Pomigliano (Italy), in which they were educated about the sustainability way of life</li> <li>● 2,833 employee children involved in programs focused on environmental awareness during Italian Summer Camps</li> </ul>

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 Key target	 Target exceeded	 Target achieved or in line with glide path	 Target partially achieved	 Target postponed
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## Product

**Commitment:** minimize environmental impacts related to the use of products by reducing vehicle CO<sub>2</sub> emissions, focusing on alternative fuels and propulsion systems and engaging customers in eco-responsible behavior

Scope	Targets	2014 Results
Mass-Market Brands	<p> 2020: 40% reduction in CO<sub>2</sub> emissions vs 2006 from Mass-Market Brand cars sold in Europe, maintaining high levels of competitiveness</p> <p><i>Note: 2006 baseline defined in line with the European regulation 443/2009 impact assessment</i></p> <p> 2020: at least 5% to 15% improvement in fuel economy<sup>(10)</sup> of the new FCA US vehicle compared with the vehicle replaced, aligned with major vehicle renewals</p> <p> 2025: actively pursue actions in support of the U.S. EPA/NHTSA industry goal of 54.5 mpg by 2025</p>	<ul style="list-style-type: none"> <li>Reduction of 19% in CO<sub>2</sub> emissions in Europe vs 2006 and of 24% vs 2000 while increasing product portfolio across Mass-Market Brands</li> <li>27% of cars sold in Europe recorded emissions at or below 110 g CO<sub>2</sub>/km (of which 12% below 100 g CO<sub>2</sub>/km) and 82% at or below 130 g CO<sub>2</sub>/km</li> </ul>
		<p><b>Fuel economy of new vs replaced vehicles<sup>(11)</sup>:</b></p> <ul style="list-style-type: none"> <li>2015 Chrysler 200: <ul style="list-style-type: none"> <li>2.4-liter: +17%</li> <li>3.6-liter: +5%</li> </ul> </li> <li>2015 ProMaster City: <ul style="list-style-type: none"> <li>+14% over 2014 Ram C/V</li> </ul> </li> <li>2015 Dodge Charger: <ul style="list-style-type: none"> <li>5.7-liter: +6% with 8-speed transmission</li> <li>6.4-liter: +6% with 8-speed transmission</li> <li>3.6-liter: remained at 23 mpg for RWD vehicles and 21 mpg for AWD vehicles, as powertrain enhancements for this engine were made prior to model renewal</li> </ul> </li> </ul>
		<p><b>Notable 2014 calendar year product actions that contribute to fuel efficiency:</b></p> <ul style="list-style-type: none"> <li>Mix of EcoDiesel engine increased to 20% of Ram 1500 pickup production; Ram EcoDiesel has highest fuel economy among all full-size truck competitors</li> <li>TorqueFlite 8-speed transmission extended to Chrysler 300, Dodge Charger and Challenger; and 9-speed transmission extended to Chrysler 200, Jeep Renegade and Ram ProMaster City</li> <li>Engine Start&amp;Stop extended to Jeep Cherokee</li> <li>Rear axle disconnect launched on Chrysler 200 and Jeep Renegade; front axle disconnect launched on Chrysler 300 AWD</li> <li>Lightweight aluminum axle family launched on Chrysler 300, Dodge Challenger and Dodge Charger</li> <li>Aerodynamics of 0.27 Cd on 2015 Chrysler 200</li> <li>New Jeep Renegade launched with aerodynamically designed features, including fully integrated, aerodynamic-tuned body and fascias; an extensive rear spoiler; integrated underbelly pans; an integrated sill; aerodynamic spats; and a tail lamp designed to kick air off the side of the body</li> </ul>

<sup>(10)</sup> Data is reported to the U.S. National Highway Traffic Safety Administration (NHTSA) and provided by model year, meaning the year used to designate a discrete vehicle model, irrespective of the calendar year in which the vehicle was actually produced, provided that the production period does not exceed 24 months. CAFE standards from NHTSA are set independently for passenger cars and light duty trucks. Fuel economy is based on the most recent NHTSA required submission, which for 2014 reflects mid-model year data. Previous year data is adjusted to reflect final EPA/NHTSA reports.

<sup>(11)</sup> All improvements represent combined fuel economy compared with previous similar engine on replaced model.

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 Key target

 Target exceeded

 Target achieved or in line with glide path

 Target partially achieved

 Target postponed

**Commitment: minimize environmental impacts related to the use of products by reducing vehicle CO<sub>2</sub> emissions, focusing on alternative fuels and propulsion systems and engaging customers in eco-responsible behavior**

Scope	Targets	2014 Results
Mass-Market Brands	 2015-2020: development of electric/hybrid technologies, focusing on solutions that are economically viable, competitive in the marketplace, and beneficial to society	<ul style="list-style-type: none"> <li>● Launch of experimental EV car-sharing service in collaboration with Turin City Government: 8 Fiat 500e delivered</li> <li>● Expo 2015: sustainable mobility service: 10 Fiat 500e delivered</li> <li>● Announced for NAFTA on May 6 in 2014-2018 FCA Business Plan:               <ul style="list-style-type: none"> <li>▶ new PHEV vehicle and mild hybrid (Belt Starter Generator) for future application</li> </ul> </li> <li>● Fiat 500e (electric vehicle) availability expanded to Oregon (U.S.)</li> <li>● First phase of electrification project completed in partnership with McMaster University (Canada), resulting in 4 new patent applications pending</li> <li>● Partnership continues with NextEnergy in U.S. to evaluate vehicle-to-grid (V2G) technology, with demonstration completed involving Fiat 500e powering a house</li> </ul>
	 2020: eco:Drive available on 80% of new Fiat models in Europe equipped with connectivity granted by Uconnect platform	<ul style="list-style-type: none"> <li>● eco:Drive Live launched on Fiat 500X and Panda Cross</li> </ul>
	 2017: at least 6.8% <sup>(12)</sup> reduction in CO <sub>2</sub> emissions on average fleet vs 2012 in Brazil	<ul style="list-style-type: none"> <li>● Over 680,000 Fiat Flexfuel and TetraFuel vehicles sold in Brazil (representing approx. 98% of total sales)</li> <li>● New Uno with Start&amp;Stop</li> </ul>
	 2015: promotion of biomethane mobility projects	<ul style="list-style-type: none"> <li>● BIOMETHAIR research project on track</li> <li>● 71 Fiat 500L Natural Power provided for Expo 2015 sustainable mobility fleet</li> </ul>
	 2015: continuation of leadership position for natural gas vehicles in Europe	<ul style="list-style-type: none"> <li>● Market leadership maintained for natural gas vehicles in Europe: more than 55% market share with a total of more than 56,000 natural gas vehicles sold in 2014, and more than 650,000 natural gas vehicles produced since 1997</li> <li>● Wide natural gas product range offered in Europe with a total of 12 models (new Doblò launched in 2014)</li> </ul>
	2014: extension of driving mode selector to further models (standard on all Alfa Romeo models, and available on select models of other brands)	<ul style="list-style-type: none"> <li>● Driving Mode Selector announced for NAFTA version of 2015 Alfa Romeo 4C</li> <li>● Eco mode available on 2015 Dodge Charger SRT, Dodge Challenger SRT and Chrysler 300 SRT with 6.2-liter and 6.4-liter engines</li> </ul>

**Commitment: minimize environmental impacts related to the use of products by reducing vehicle CO<sub>2</sub> emissions, focusing on propulsion systems and engaging customers in efficient-responsible behavior**

Scope	Targets	2014 Results
Luxury Brands - Maserati	 2020: reduce CO <sub>2</sub> emissions by 30% vs 2008 on entire product range	<ul style="list-style-type: none"> <li>● New hybrid powertrain solutions under investigation</li> </ul>
	 2015: extension of Start&Stop feature to all gasoline engines of Quattroporte and Ghibli with expected -6% on CO <sub>2</sub> emissions vs 2013 models	<ul style="list-style-type: none"> <li>● Start&amp;Stop feature extended on all Maserati versions of Quattroporte and Ghibli in advanced development phase               <ul style="list-style-type: none"> <li>▶ CO<sub>2</sub> emissions reduced up to 8.7%</li> </ul> </li> </ul>
Luxury Brands - Ferrari	 2020: reduce CO <sub>2</sub> emissions by 20% vs 2014 on entire product range	<ul style="list-style-type: none"> <li>● -3% in CO<sub>2</sub> emissions vs 2013, CO<sub>2</sub> results in line with 2013-2019 Ferrari CO<sub>2</sub> emissions reduction glidepath (-18% by introduction of innovative technology solutions)</li> <li>● Progressive implementation of innovative solutions (i.e. turbo, innovative gearbox and electric steering and 48V - hybrid)</li> </ul>

<sup>(12)</sup> Brazil's INOVAR-Auto program establishes a minimum average vehicle energy efficiency for 2017 expressed in megajoules per kilometer (MJ/km). The goal of energy efficiency of each company will be determined by the mass weighted by sales volume.

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 Key target	 Target exceeded	 Target achieved or in line with glide path	 Target partially achieved	 Target postponed
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### Commitment: offer new mobility services that grant greater access to affordable solutions as well as improve the urban mobility experience

Scope	Targets	2014 Results
Mass-Market Brands	 2020: ongoing research, advance development and provision of new sustainable mobility concepts that are economically viable for the Group and its customers	<ul style="list-style-type: none"> <li>● Fiat 500e Pass program in the U.S. provided rental alternatives for Fiat 500e customers who require traveling longer distances or larger vehicle capacity</li> <li>● SiriusXM Traffic and SiriusXM Travel Link feature in the U.S. extended to enhance driver experience</li> <li>● Conducted 3 research initiatives focused on mobility trends: Global Urban Mobility; U.S. Family Mobility; U.S. Demographics. Research has provided insight into functional and experiential vehicle needs for new mobility concepts, services and products</li> <li>● Ongoing activities to explore new sustainable mobility services and anticipate evolving consumer needs and behaviors:           <ul style="list-style-type: none"> <li>► extension in Rome and Florence of Enjoy, the sustainable car sharing service launched in Milan by ENI with FCA and Trenitalia partnership; 1,400 cars provided by FCA with 230,000 registered users</li> <li>► FCA Official Global Partner of Expo Milano 2015, providing low emission cars for sustainable mobility services</li> <li>► projects devoted to research, development and experimentation of innovative technologies for new mobility models (i.e. cooperative systems, vehicle-to-vehicle and vehicle-to-infrastructure communication systems, comfort in vehicle and special needs) in EMEA region</li> </ul> </li> </ul>
	2014: availability of traffic services on 80% of product range in Europe	<ul style="list-style-type: none"> <li>● More than 90% of models offered in Europe</li> </ul>
Mass-Market Brands EMEA	 2016: extension of <i>Fiat Likes U</i> to European countries and establishment of an international network with major universities	<ul style="list-style-type: none"> <li>● <i>Fiat Likes U</i> project successfully continued in 4 Italian universities (Turin, Pisa, Padua, Bologna) and extended to the Netherlands (Rotterdam). The car-sharing service was used by over 1,200 students totaling more than 250,000 km traveled</li> </ul>

### Commitment: assess environmental and social impacts throughout the entire product life cycle from raw materials to recycling and recovery

Scope	Targets	2014 Results
FCA	 2020: deliver and certify new product (vehicles and components) with optimal environmental profile by embedding Life Cycle Assessment (LCA) methodology according to ISO 14040/44 <sup>(13)</sup>	<ul style="list-style-type: none"> <li>● Completed LCA analysis of the Fiat 500L gasoline vs CNG/gasoline version. Critical review performed and certified by external auditor</li> <li>● LCA applied to the Jeep Cherokee diesel vs gasoline versions and Fiat 500 gasoline version vs electric counterpart</li> <li>● Started LCA of the new Fiat Uno dashboard, adopting a jute and polypropylene fiber thermoformed composite material as an eco-friendly alternative for nonstructural dense polypropylene plaques</li> <li>● Ongoing theoretical LCA of the calcined residue of poultry eggshell applied as a filler and reinforcing material for composites with polypropylene in place of the traditional non-renewable mineral fillers</li> </ul>
	 2015: involvement of selected suppliers in the EMEA region in common research and development of projects based on LCA analysis aimed at evaluating the environmental impacts of strategic vehicle components	<ul style="list-style-type: none"> <li>● LCA activities continued with 5 major Tier 1 suppliers through various publicly funded collaborative projects</li> </ul>
	 2015: integration of eco-design guidelines tailored to the automotive sector and based on LCA analysis, in the approach to vehicle development	<ul style="list-style-type: none"> <li>● Vehicle LCA results completed and being evaluated for integration of eco-design guidelines in the approach to vehicle development</li> </ul>
	 2015: completion of LCA analysis of body pre-paint process, comparing chemical substances used in normal production with innovative ones involved in this process	<ul style="list-style-type: none"> <li>● Continued testing process at plants with LCA analysis expected to be performed during 2015 depending on feasibility and progress test results</li> </ul>

<sup>(13)</sup> The LCA results will support the strategic product planning definition and the related product development process.

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 Key target

 Target exceeded

 Target achieved or in line with glide path

 Target partially achieved

 Target postponed

### Commitment: assess environmental and social impacts throughout the entire product life cycle from raw materials to recycling and recovery

Scope	Targets	2014 Results
FCA	2014: integrate LCA in the NAFTA region by piloting one vehicle through the product development process	<ul style="list-style-type: none"> <li>● Life Cycle Inventory (LCI) and LCA software modeling completed for the Jeep Cherokee and data collection for the next generation minivan is in process</li> </ul>
	2014: ongoing development of LCA activities and in-house exploration for the definition of a target for 2020, gradually built and based on analytical data	<ul style="list-style-type: none"> <li>● Completed 5 LCA projects on the following Magneti Marelli Business Lines: Automotive Lighting, Powertrain, Suspension Systems, Exhaust Systems, Plastic Components and Modules. Launched 3 new initiatives to be completed in 2015</li> <li>● Began integration of LCA activities in WCE (World Class Engineering) topics and Pillar Environment in WCM (World Class Manufacturing)</li> </ul>
	2014: incremental extension of LCA application to all Magneti Marelli Business Lines	<ul style="list-style-type: none"> <li>● Presented a proposal for an LCA project by all Magneti Marelli Business Lines to be developed in 2015/2016</li> </ul>
	2014: extension of specific training to new Magneti Marelli employees involved	<ul style="list-style-type: none"> <li>● New training on LCA methodology and software provided to 6 Magneti Marelli employees</li> </ul>
	2014: definition and application of KPIs	<ul style="list-style-type: none"> <li>● LCA KPIs developed for application on all current and future Magneti Marelli projects</li> </ul>
	2014: LCA analysis on biopolymers and polymers with natural filler as part of the MATRECO project for the development of vehicle interiors  <i>Note: the MATRECO project is focused on the development for the automotive sector of composites based on vegetable fibers and renewable materials with low environmental impact</i>	<ul style="list-style-type: none"> <li>● Continued the inventory phase of MATRECO project on materials and functionalized surface treatments, expected to be completed in 2015</li> </ul>
	2014: completion of LCA analysis for the European NANOPIGMY <sup>(14)</sup> project	<ul style="list-style-type: none"> <li>● Continued the inventory phase of NANOPIGMY project, expected to be completed in 2015</li> </ul>

### Commitment: strengthen worldwide the focus on a sustainable materials strategy

Scope	Targets	2014 Results
Mass Market Brands	⌚ 2020: minimization of environmental impact of materials within the vehicle	<ul style="list-style-type: none"> <li>● FELIS tool further enhanced to improve management of Global Automotive Declarable Substance List for SVHCs (Substances of Very High Concern) and biocides</li> </ul>
	⌚ 2020: increase the use of renewable and recyclable materials in next generation vehicles	<ul style="list-style-type: none"> <li>● Completed the mapping of mechanical characteristics of bio-filled polymers</li> <li>● Approved two new materials containing recycled content for underbody, sealing and engine applications</li> <li>● New Fiat Uno dashboard designed to combine a lightweight component with renewable raw material</li> </ul>
	⌚ 2015: evaluation of SVHC phase-out alternatives and development of substitutes	<ul style="list-style-type: none"> <li>● Engineering engaged with suppliers to reformulate and revalidate all IMDS-identified components containing SVHCs</li> </ul>
	2014: supplier involvement in developing strategies to eliminate the use of SVHCs	<ul style="list-style-type: none"> <li>● Suppliers surveyed on awareness of SVHC REACH obligations; results will be used to jointly develop strategies to reduce and/or eliminate SVHCs</li> <li>● Materials Engineering Group actively supported reformulation / revalidation of all identified components containing SVHCs to be phased out</li> </ul>

<sup>(14)</sup> Scope of analysis broadened from the pre-paint process (highly dependent on progress at the pilot plant) to the painting of the entire automotive body and interior applications with the aim of adding new esthetic and anti-corrosion paint functionality.

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 Key target	 Target exceeded	 Target achieved or in line with glide path	 Target partially achieved	 Target postponed
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### Commitment: responsibly manage the end of the vehicle's life, developing innovative opportunities to recycle and recover the left over materials

Scope	Targets	2014 Results
Mass-Market Brands and Luxury Brands - EMEA	 2020: outperformance of reuse/recycling quota goals (85%) and reuse/recovery quota goals (95%) in Italy and achievement of similar quota results in the other main EU markets	<ul style="list-style-type: none"> <li>Overachieved the 2014 reuse/recycling target of 80% with an achievement level of 81%</li> <li>Continued progress toward the reuse/recovery target, with an achievement of 82% in 2014</li> </ul>
	 2020: improvement of the efficiency of Group vehicle management to exceed regulatory requirements by expanding a qualified and certified End-of-Life Vehicles (ELVs) network in relevant markets	<ul style="list-style-type: none"> <li>ELV network quality further assessed by internal audits conducted at dismantling facilities</li> <li>More than 50% of Italian ELV network operators obtained quality, environment, ethics or safety certification</li> <li>ELV network coverage further expanded in Germany with 96 collection points (+7% vs 2013)</li> <li>ELV monitoring activities increased by 5% with focus on new emerging markets (i.e. Kazakhstan and Mongolia)</li> </ul>
	2014: completion of the qualitative performance assessment of Mass-Market Brand network of dismantling agents in Italy to ensure 85% of reuse/recyclability by 2015	<ul style="list-style-type: none"> <li>Started collaboration activities with ELV associations in order to define all technical requirements for the development of new regulation</li> <li>Identified technological solutions to maximize the energy recovery of automotive shredder residues</li> </ul>

### Commitment: define a substitution strategy for critical raw materials

Scope	Targets	2014 Results
Mass-Market Brands	 2020: optimize critical raw material use by monitoring legislative guidance and supply chain evolution, evaluating and increasing recycling and substitution opportunities	<ul style="list-style-type: none"> <li>Evaluation completed for critical raw materials potentially used in the automotive sector; results will be used as a basis for innovative research activities and partnerships</li> </ul>
	 2020: increase the promotion of ethical sourcing through industry-driven programs and institutionalized mechanisms while evaluating recycling and/or substitution opportunities, aimed at contributing to a healthy business environment	<ul style="list-style-type: none"> <li>Selected Italian suppliers trained to raise awareness of ethical sourcing, in particular with regard to conflict minerals</li> <li>Provided supplier support to facilitate understanding of U.S. legislation and to help suppliers respond to conflict minerals requirements</li> </ul>

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 Key target	 Target exceeded	 Target achieved or in line with glide path	 Target partially achieved	 Target postponed
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## Plants<sup>(15)</sup>

### Commitment: expand, consolidate and certify the Group's Environmental and Energy Management Systems

Scope	Targets	2014 Results
FCA	⌚ 2020: ISO 14001 certification for all plants operating worldwide	<ul style="list-style-type: none"> <li>● 139 Group plants ISO 14001 certified with 142 certifications granted, accounting for 100% of total Group industrial revenues<sup>(16)</sup> and covering 96.5% of manufacturing employees<sup>(17)</sup></li> </ul>
	⌚ 2020: adoption of energy management system compliant with ISO 50001 of all Group plants <sup>(18)</sup> operating worldwide	<ul style="list-style-type: none"> <li>● ISO 50001 certification obtained for plants accounting for 94% of total FCA energy consumption</li> <li>+ Energy management system adopted by plants representing 98% of total FCA energy consumption</li> </ul>
	2014: new information system available	<ul style="list-style-type: none"> <li>● New information system available to track all environmental data for Group plants</li> </ul>

### Commitment: expand and consolidate the World Class Manufacturing (WCM) program worldwide

Scope	Targets	2014 Results
FCA	⌚ 2020: extend WCM program to 99% <sup>(19)</sup> of Group plants operating worldwide	<ul style="list-style-type: none"> <li>● 122 Group plants operating under WCM, accounting for 97% of total Group manufacturing cost base</li> </ul>
	⌚ 2020: 100% of Group plants involved in WCM achieve an award performance level (bronze, silver, gold or world class level)	<ul style="list-style-type: none"> <li>● 54 Group plants achieved award performance level (38 bronze, 12 silver and 4 gold level)</li> </ul>

### Commitment: optimize the Group's environmental performance

Scope	Targets	2014 Results
FCA	⌚ 2020: -30% in energy consumed per vehicle produced vs 2010 at Mass-Market Brand assembly and stamping plants worldwide	<ul style="list-style-type: none"> <li>● -18.5% vs 2010, on comparable scope of activities, in energy consumed per vehicle produced at Mass-Market Brand assembly and stamping plants worldwide (from 7.37 to 6.01 GJ/vehicle); -4.6% vs 2013 (from 6.30 to 6.01 GJ/vehicle)</li> </ul>
	⌚ 2020: -32% in CO <sub>2</sub> emitted per vehicle produced vs 2010 at Mass-Market Brand assembly and stamping plants worldwide	<ul style="list-style-type: none"> <li>● -20.5% vs 2010, on comparable scope of activities, in CO<sub>2</sub> emissions per vehicle produced at Mass-Market Brand assembly and stamping plants worldwide (from 0.616 to 0.490 tons CO<sub>2</sub>/vehicle); -5.0% vs 2013 (from 0.516 to 0.490 tons CO<sub>2</sub>/vehicle)</li> </ul>
	⌚ 2020: 100% of electricity purchased from the grid for consumption by Mass-Market Brand plants in EMEA from renewables sources	<ul style="list-style-type: none"> <li>● 100% of electricity purchased from the grid for consumption by Mass-Market Brand plants in Italy from renewables sources</li> </ul>
	⌚ 2020: -40% in water consumed per vehicle produced vs 2010 at Mass-Market Brand assembly and stamping plants worldwide	<ul style="list-style-type: none"> <li>● -36.7% vs 2010 in water consumption per vehicle produced at Mass-Market Brand assembly and stamping plants worldwide (from 4.99 to 3.16 m<sup>3</sup>/vehicle); -3.7% vs 2013 (from 3.28 to 3.16 m<sup>3</sup>/vehicle)</li> </ul>
	⌚ 2020: maintenance of FCA water recycling index over 95% at all plants worldwide	<ul style="list-style-type: none"> <li>● 99.3% water recycling index achieved at FCA plants worldwide</li> </ul>
	⌚ 2020: -14% in waste generated per vehicle produced vs 2010 at Mass-Market Brand assembly and stamping plants worldwide	<ul style="list-style-type: none"> <li>● -6.4% vs 2010 in waste generated per vehicle produced at Mass-Market Brand assembly and stamping plants worldwide (from 217.2 to 203.4 kg/vehicle); -2.0% vs 2013 (from 207.5 to 203.4 kg/vehicle)</li> </ul>
	⌚ 2020: -54% in hazardous waste generated per vehicle produced vs 2010 at Mass-Market Brand assembly and stamping plants worldwide	<ul style="list-style-type: none"> <li>● -64.6% vs 2010 in hazardous waste generated per vehicle produced at Mass-Market Brand assembly and stamping plants worldwide (from 8.2 to 2.9 kg/vehicle); -23.7% vs 2013 (from 3.8 to 2.9 kg/vehicle)</li> </ul>

<sup>(15)</sup> 2020 targets for this section of the Sustainability Plan are based on current estimates of future production volumes according to the Group industrial plan for the 2015-2018 period.

<sup>(16)</sup> Industrial revenues are those attributable to the activity of plants directly controlled by the Group in 2014.

<sup>(17)</sup> Manufacturing employees are those directly and indirectly involved in manufacturing processes in 2014.

<sup>(18)</sup> Where relevant, corresponding to 95% of energy consumption of all Group plants.

<sup>(19)</sup> Percentage based on the total manufacturing cost base.

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 Key target	 Target exceeded	 Target achieved or in line with glide path	 Target partially achieved	 Target postponed
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### Commitment: optimize the Group's environmental performance

Scope	Targets	2014 Results
FCA	⌚ 2020: up to 98% of waste recovered at Group plants worldwide (with specific targets for each company)	● 97.4% of waste recovered at Mass-Market Brand assembly and stamping plants worldwide; 80.6% at FCA plants worldwide
	⌚ 2020: -25% in VOC emitted per square meter vs 2010 at Mass-Market Brand assembly and stamping plants worldwide	● -20.4% vs 2010 in VOC emissions per square meter at Mass-Market Brand assembly and stamping plants worldwide (from 32.4 to 25.8 g/m <sup>2</sup> ); -8.8% vs 2013 (from 28.3 to 25.8 g/m <sup>2</sup> )
	2014: maintenance of levels of BOD, COD and TSS present in water discharge from Group plants worldwide well below local regulatory levels, including after reductions in water consumption	● Levels of Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) present in water discharge from FCA plants worldwide maintained well below local regulatory levels (up to 97.6% below), even taking into account reductions in water consumption <sup>(20)</sup>
	2014: elimination of ODS from equipment at Group plants worldwide excluding FCA US <sup>(21)</sup> , committed instead to eliminating ODS as equipment is replaced	● -75.4% of ODS in equipment vs 2010 achieved at Group plants worldwide; -49.7% vs 2013
	2014: application of Best Available Technologies (BAT) at new assembly plant in Pernambuco (Brazil)	● BAT applied at new assembly plant in Pernambuco (Brazil)
	2014: application of BAT at new paint and body shops at the Sterling Heights Assembly Plant (Michigan)	● BAT applied at new paint and body shops at the Sterling Heights Assembly Plant (Michigan)
	2014: achievement of LEED Gold certification for new body shops at the Belvidere Assembly Plant (Illinois) and Sterling Heights Assembly Plant (Michigan)	● LEED Gold certification achieved for new body shops at the Belvidere Assembly Plant (Illinois) and Sterling Heights Assembly Plant (Michigan)

<sup>(20)</sup> The ongoing reduction in water consumption (-3.7% vs 2013) corresponds to a proportional increase in pollutant concentrations. For this reason the goal of maintaining current levels is equally challenging.

<sup>(21)</sup> FCA US not included in the scope because its inventory was completed in 2012; therefore, there is no comparative data for 2010.

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 Key target

 Target exceeded

 Target achieved or in line with glide path

 Target partially achieved

 Target postponed

## Logistics

### Commitment: reduce environmental impact of logistics

Scope	Targets	2014 Results
FCA	2020: expand low emission and alternative fuel vehicles for transportation in EMEA and NAFTA regions to utilize the most cost- and environmentally-efficient Company-owned fleet possible	<ul style="list-style-type: none"> <li>Increased utilization of low emission vehicles in FCA-owned fleet:           <ul style="list-style-type: none"> <li>24 new Euro VI trucks, 88% of FCA-owned fleet in EMEA region already Euro V or VI compliant</li> <li>179 Compressed Natural Gas trucks ordered for FCA Transport</li> </ul> </li> </ul>
	2015: setting targets for all Group companies worldwide (2011 scope)	<ul style="list-style-type: none"> <li>Progressively introducing sustainability-focused targets in all regions</li> </ul>
	2014: establish the calculation of CO <sub>2</sub> emissions with a new system common to EMEA and NAFTA regions with a joint development	<ul style="list-style-type: none"> <li>Regional CO<sub>2</sub> emission calculation methodology updated for the development of a joint tracking system</li> </ul>
	2014: extension of monitoring process to all Group companies worldwide (2011 scope)	<ul style="list-style-type: none"> <li>Monitoring process extended to: Mass-Market Brands in NAFTA<sup>(22)</sup> and EMEA regions, Mopar and Magneti Marelli in EMEA region, data collection started in LATAM region</li> </ul>
	2014: extension of EMEA region CO <sub>2</sub> emission monitoring process to new scope with 25 markets (21 current markets + U.S., Russia, Canada, Japan markets) and 12 plants (11 current plants + Grugliasco (Italy) plant)	<ul style="list-style-type: none"> <li>CO<sub>2</sub> emission monitoring process extended to the new scope covering additional markets and plants</li> </ul>
	2014: -64,000 cumulative tons of CO <sub>2</sub> vs 2010 (compared with equivalent volumes transported by road) achieved through the further extension of rail transport (2011 scope)	<ul style="list-style-type: none"> <li>+ 3,489 tons of CO<sub>2</sub> avoided vs 2013 (-65,589 tons of CO<sub>2</sub> vs 2010) through utilization of rail vehicle distribution compared with equivalent road transported volumes</li> </ul>
	2014: further increase of rail transport and introduction of new route in the EMEA region to achieve a reduction of 2,600 tons of CO <sub>2</sub> vs 2013	<ul style="list-style-type: none"> <li>+ 3,489 tons of CO<sub>2</sub> avoided by launching new projects that utilize rail transport both for upstream and downstream transport in EMEA region</li> </ul>
	2014: further extension of CO <sub>2</sub> emissions reduction projects, implementing solutions to optimize transport capacity in EMEA and NAFTA regions	<ul style="list-style-type: none"> <li>Launched transport optimization initiatives to reduce distance covered thus avoiding CO<sub>2</sub> emissions both in NAFTA and EMEA regions, resulting in a total reduction of 5,138 tons of CO<sub>2</sub></li> </ul>
	2014: -1.7% vs 2013 in disposable cardboard packaging for vehicle components (from 6.0 to 5.9 kg/vehicle) at 2012 scope	<ul style="list-style-type: none"> <li>Reduced to 5.68 kg/vehicle the consumption of cardboard considering models included in the target boundary, excluding the models launched in 2014 (overall figure including the models in start-up: 6.4 kg/vehicle)</li> </ul>
	2014: below 6 kg of wood per m <sup>3</sup> delivered in transport to Brazil, due to introduction of returnable packaging	<ul style="list-style-type: none"> <li>Reduction of wood utilization in shipments from Italy to Brazil using returnable packaging solution, achieving a 4.4 kg wood per m<sup>3</sup> delivered</li> </ul>
	2014: launch of new projects to minimize the use of plastic protective material in shipments	<ul style="list-style-type: none"> <li>Launched projects aimed at reducing and replacing plastic protective materials, including the replacement of anti-corrosive polythene film (VCI) with the new generation (-26.8 gr polythene/m<sup>3</sup> delivered) and the reduction of VCI mobile emitters (-2.8 gr plastic/m<sup>3</sup> delivered)</li> </ul>
	2014: improved ratio of disposable and protective packaging to the volume/weight of parts shipped from the Italian Mopar warehouses (from 16.1% to 15.5%)	<ul style="list-style-type: none"> <li>+ Reduced the ratio to 13.3% volume/weight of disposable packaging used compared with the shipped net tons</li> </ul>

<sup>(22)</sup> At the time the target was set, FCA US operations were not part of the Group.

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## Process for the Sustainability Plan

The Sustainability Plan presents the commitments, targets and results of the Group. Every year, it is updated by the Sustainability Team, which coordinates and consolidates the feedback from all of the regions and business functions. The highest governance bodies of the Group are engaged in the development and approval of goals related to economic, environmental and social aspects. This process consists of three main phases:

**Planning phase:** the commitments and targets in the Sustainability Plan are initially defined on the basis of the areas for improvement identified by the Sustainability Team in collaboration with the operating segments/regions and central functions. In support of that activity, throughout the year the team monitors the performance of best-in-class competitors as well as the assessments by the principal sustainability rating agencies, international organizations and Socially Responsible Investors with whom the Group has a relationship. The draft Sustainability Plan is submitted for the approval of the Group Executive Council (GEC), which evaluates its consistency with Group strategy and makes appropriate recommendations. Once the Plan is approved by the GEC, it is then evaluated by the Governance and Sustainability Committee of the FCA Board which grants formal approval.

**Management phase:** responsibility for individual projects and achievement of the targets in the Sustainability Plan rests with the various operating segments/regions or corporate functions which have the resources, tools and knowledge necessary for their implementation.

**Control phase:** as a further indication of adherence to the commitments made, the Sustainability Team is periodically updated on the status of projects and, in turn, updates the GEC.

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In Collaboration with RobecoSAM



## Sustainability Leadership

Our Group's commitment to sustainability has received recognition at the global level from several leading organizations and indices.

In 2014, FCA was included in the prestigious Dow Jones Sustainability Index World for the sixth time with a score of 87/100. The average for all Automobiles sector companies evaluated by RobecoSAM, the specialists in sustainability investment, was 58/100. This result places FCA firmly among the world's leading companies in terms of combined economic, environmental and social performance.

For the third consecutive year, the Group was recognized as a leader for its commitment and results in addressing climate change. On the basis of transparency in disclosure and performance, FCA was named as a leader in the CDP Italy 100 Climate Disclosure Leadership Index (CDLI) and among the top ranked companies in the Climate Performance Leadership Index (CPLI) 2014. FCA scored 98/100 for transparency in disclosure and was included in The A List: the CDP Climate Performance Leadership Index 2014, which includes companies that have demonstrated a superior approach to climate change mitigation.

During the year, the Group's position was also confirmed in the Euronext Vigeo Europe 120 and the Euronext Vigeo Eurozone 120 indices, both established in collaboration with NYSE Euronext, which include the top ESG performers based on an analysis of approximately 330 indicators.

FCA is also a member of numerous other leading indices including: ESI Excellence Europe, STOXX Global ESG Leaders, STOXX Global ESG Environmental Leaders, STOXX Global ESG Social Leaders, STOXX Global ESG Governance Leaders, ECPI Euro Ethical Equity, ECPI Emu Ethical Equity, ECPI Global Developed ESG Best in Class Equity, FTSE ECPI Italia SRI Benchmark, FTSE ECPI Italia SRI Leaders, and Parks GLBT Diversity Index.

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# Our Culture



## Corporate Governance

FCA manages its business ethically, transparently and responsibly to create value for our stakeholders, including investors, employees, business partners, and communities. Our governance system monitors and manages the organization's performance on economic, social and environmental aspects. This responsibility includes risk management, maintaining an ongoing dialogue with stakeholders and ensuring sustainability principles are integral to business practices.

&gt;



## Code of Conduct and Human Rights

The Group is committed to the highest standards of integrity and ethics. The Code of Conduct governs employee behavior and how we operate our business. The fundamental values established in the Code help ensure our decision-making processes and operating approach are based on the principles of transparency, integrity and fairness - standards that are essential to drive social and economic development in line with the goals of sustainability.

&gt;



## Risk Management

The Group operates under an Enterprise Risk Management model that calls for transparency and disclosure of business risks and compliance with regulatory directives relative to the adoption of appropriate governance models. FCA's comprehensive risk management system monitors and develops strategies to manage internal and external conditions that could damage our physical assets, disrupt operations or affect the communities where we are active.

&gt;



## Employees

Dedicated and motivated employees are critical to the Group's competitive edge. In turn, FCA is committed to fostering a work environment in which employees feel respected, valued and included. The Group strives to create a diverse work environment that enables employees to collaborate in ways that transform differences into strengths, break down geographic and cultural barriers, and develop each person's potential.

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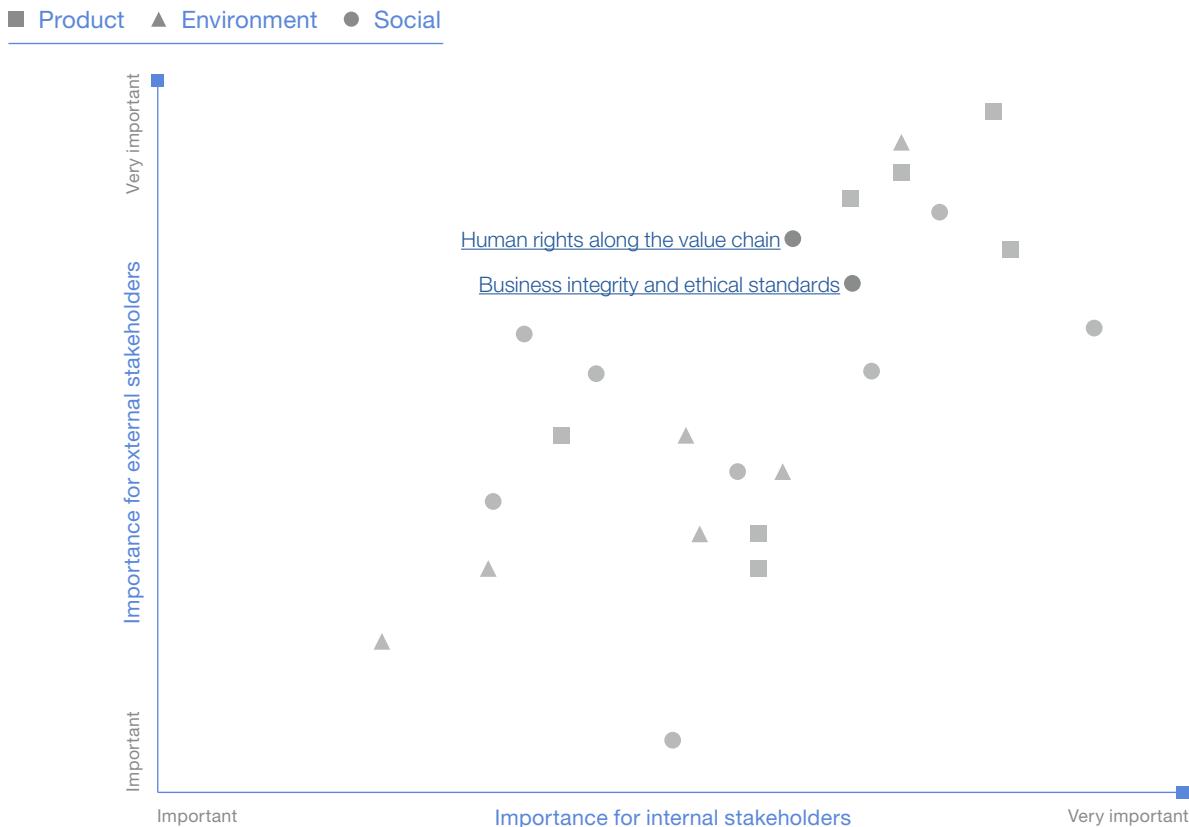


## Corporate Governance

- Corporate Governance Overview
- Corporate Governance Timeline
- Integration of Economic, Social and Environmental Choices
  
- ▲ Sustainability Plan

### Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Corporate Governance will be reported.



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## Corporate Governance Overview

The principal aspects of FCA's governance relating to management of the business in an ethical, transparent and responsible manner to create value for stakeholders, are:

- System of Corporate Governance, that endorses the principles and best practice set out in the Dutch Corporate Governance Code, which regulates relations between the Board of Directors of a company and its shareholders. The Company addresses its overall corporate governance structure in its the "Corporate Governance" section of the Annual Report, including disclosure of any material departure from the best practice provisions of the Dutch Corporate Governance Code
- Sustainability Governance model, to monitor and manage the organization's performance on economic, social and environmental aspects
- Code of Conduct, Guidelines, Procedures and Practices, and labor practices for the respect of conduct underscoring the importance of dialogue with stakeholder
- Risk Management of different kinds of issues, in order to prevent accidents or limit their impact, consistent with the highest standards for prevention
- Investor Relations, that maintain the ongoing dialogue between FCA and its shareholders, institutional investors and financial analysts.

The above aspects are discussed in the [Annual Report](#), where all amendments during the year are reported.

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## Corporate Governance Timeline

FCA endorses the principles and best practice provisions of the Dutch Corporate Governance Code. FCA's corporate governance system has been expanded over time to incorporate a set of values, rules and procedures that reflect regulatory changes and improvements in corporate governance practices.

### 2014

- Completed the cross-border merger of Fiat S.p.A. with and into Fiat Investments N.V. (subsequently renamed "Fiat Chrysler Automobiles N.V.")
- In January 2014, Fiat purchased all of the VEBA Trust's equity interests in FCA US (formerly Chrysler Group LLC), which represented the approximately 41.5 % of FCA US interest not then held by us. The transaction was completed on January 21, 2014, resulting in FCA US becoming an indirect 100% owned subsidiary of FCA
- Establishment of a Board of Directors of Fiat Chrysler Automobiles (FCA)
- Representation of women at more than 27% of Fiat Chrysler Automobiles (FCA) Board of Directors
- Establishment of an Audit Committee compliant to U.S. New York Stock Exchange Rules, which replaces the previous Internal Control and Risk Committee
- Reappointment of the Nominating, Corporate Governance and Sustainability Committee in Governance and Sustainability Committee
- Formulation of Group Guidelines on Export Control and Anti-trust
- Updating of the Code of Conduct and the Whistleblowing Procedure
- Creation of Fiat Internal Control Committee ("ICC") to oversee and review all Internal Control over Financial Reporting (ICFR) and non-ICFR matters

### 2013

- Human rights (already included in Code of Conduct), risk assessment regarding child labor, young workers, labor practices, forced labor, non-discrimination, conditions of employment, security and supply chain management implemented as part of the Fiat S.p.A. standard audit process in place in EMEA, LATAM and APAC to ensure coverage of due diligence requirements of the UN Ruggie Framework Guiding Principles
- New Anti-Corruption Policy approved for Chrysler Group, which updates and consolidates the Company's anti-corruption rules and procedures
- Formulation of Group Guidelines on Stakeholder Engagement

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## 2012

- Introduction of an attendance recommendation in the 2012 Annual Report on Corporate Governance according to which Directors are expected to prepare themselves for and to attend all Board meetings, the Annual General Meeting of Shareholders and the meetings of the Committees on which they serve, with the understanding that on occasion a Director may be unable to attend a meeting. The same attendance requirements at all meetings of the Board of Statutory Auditors and Directors, at the Annual General Meeting of Shareholders and committee meetings are asked of Board of Statutory Auditors
- Representation of women at more than 20% of Fiat S.p.A. Board of Directors
- Publication of the Fiat S.p.A. 2011 Sustainability Report, marking the first ever joint report by Fiat<sup>(2)</sup> and Chrysler Group on shared goals and combined results of sustainability initiatives

## 2011

- Formation of a new Group Executive Council<sup>(1)</sup> (GEC) following acquisition of majority ownership of Chrysler Group, consistent with the objective of enhancing operational integration between Fiat<sup>(2)</sup> and Chrysler Group. The GEC consists of members from both organizations and is the highest executive decision-making body, supporting the CEO in operational decisions
- Integration of all Fiat standard audits with ethical issue assessments regarding human rights, business ethics, conflict of interest, corruption, and discrimination issues
- Fiat Compliance Program pursuant to Italian Legislative Decree 231/2001 updated to include the sensitive processes for the prevention of environmental crimes
- Publication and distribution of updated Chrysler Group Standards of Conduct, including references to environmental stewardship, health and safety
- Publication of Chrysler Group's first Sustainability Report

<sup>(1)</sup> In July 2011, Fiat S.p.A. formed a management committee, known as the Group Executive Council, or GEC, to oversee and enhance the operational integration of all Fiat affiliates, including Chrysler Group. Nevertheless, the two companies remained distinct legal entities with separate governance. The GEC could not at the time contractually bind Chrysler Group, and recommendations made by the GEC to Chrysler Group, including transactions with Fiat companies, were subject to Chrysler Group's governance procedures.

<sup>(2)</sup> Refers to Fiat Group excluding Chrysler Group.

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## 2010

- Formulation of Group Guidelines on Conflicts of Interest, Data Privacy, ICT Assets and of the Green Logistics Principles
- Dissemination of Fiat S.p.A. Code of Conduct updated to include references to all Group Guidelines
- Approval of Procedures for Transactions with Related Parties
- Review of the internal Business Ethics Audit system to include additional sustainability-related elements in line with the Code of Conduct
- Update of the Enterprise Risk Management model and revision of risk map

## 2009

- Assignment of responsibility for sustainability issues to the Nominating and Corporate Governance Committee, which thus became the Nominating, Corporate Governance and Sustainability Committee
- Revision of the Code of Conduct to incorporate additional principles of sustainability
- Formulation of Group Guidelines on the Environment, Health and Safety, Business Ethics and Anti-Corruption, Sustainability for Suppliers, Human Capital Management, Human Rights and Investments in Local Communities
- Update of the Enterprise Risk Management model to include additional risk factors related to climate change

## 2008

- Creation of the Sustainability Unit and publication of the first Sustainability Plan

## 2006

- Certification of the System of Internal Control over Financial Reporting (ICFR) established pursuant to Section 404 of the U.S. Sarbanes-Oxley Act. Although the Company was no longer listed on the New York Stock Exchange (NYSE), management and Internal Audit had continued their activities relative to the evaluation and monitoring of the ICFR System. Those activities also provide support for the attestations of the Chief Executive Officer and the executive officers responsible for the preparation of the Company's financial statements, required under Italian Law 262/2005 since 2007

## 2005

- Issuance of Whistleblowing Procedures for reporting alleged violations of the Code of Conduct
- Approval by Fiat S.p.A. shareholders of requirements for the annual assessment of the independence of members of the Board of Directors
- Approval of the Group Procedure for the Engagement of Audit Firms aimed at ensuring the independence of the external auditors

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## 2004

- Publication of first Annual Report on Corporate Governance, prepared in accordance with guidelines issued by Assonime and Emittenti Titoli S.p.A. and endorsed by Borsa Italiana S.p.A.
- Implementation of an Enterprise Risk Management process based on the 2004 Enterprise Risk Management - Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO)
- Publication of the first Fiat S.p.A. Sustainability Report

## 2003

- Approval of the first Compliance Program (Italian Legislative Decree 231/2001) which was updated in subsequent years to reflect developments in legislation and interpretation that expanded the scope of Italian Legislative Decree 231/2001 to include new categories of crimes
- Approval of Guidelines for the Internal Control System
- Issuance of Guidelines for Significant Transactions and Transactions with Related Parties

## 2002

- Institution and adoption of Internal Dealing Regulations that establish disclosure and conduct requirements for Relevant Persons. These Regulations remained in place until March 2006, when the European Market Abuse Directive, which governs such matters, took effect

## 1999

- Establishment of the Internal Control Committee and the Nominating and Compensation Committee. In 2007, the Nominating and Compensation Committee was separated into the Nominating and Corporate Governance Committee and the Compensation Committee

## 1997

- Adoption of a system of Values and Policies

## 1993

- Publication of the first Fiat S.p.A. Code of Ethics, replaced in 2003 by the Code of Conduct

## 1992

- Publication of the first Fiat S.p.A. Environmental Report

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## Integration of Economic, Social and Environmental Choices

FCA's governance supports its mission to create value by supplying innovative products and services for maximum customer satisfaction with due respect for the legitimate interests of all categories of stakeholders. **FCA's governance structure** consists of a management and control system and general meetings of shareholders.

In addition, as required by law, the accounts are reviewed by independent auditors.

The Board of Directors of FCA is responsible for the management and the general course of affairs of the Company and the business connected with it. Pursuant to its articles of association, FCA has a one-tier Board of Directors, consisting of at least 3 Directors, and comprising both executive and non-executive Directors. The majority of the directors shall consist of non-executive Directors. The role of the non-executive Directors is to supervise the policies of the executive Directors and the general affairs of FCA and its operations, as well as to assist the executive Directors by providing advice.

The Board of Directors as a whole is responsible for the strategy of the Company. The Board of Directors exercises its duties, including the oversight of the company, subject to the limitations contained in the Articles of Association. The financial statements of the Company are audited by an external audit firm.

The Board of Directors shall require the approval of the general meeting of shareholders for resolutions concerning an important change in the Company's identity or character, including in any case:

- the transfer to a third party of the business of the Company or practically the entire business of the Company
- the entry into or breaking off of any long-term cooperation of the Company or a subsidiary with another legal entity or Company or as a fully liable partner of a general partnership or limited partnership, where such entry or breaking off is of far-reaching importance to the Company
- the acquisition or disposal by the Company or a subsidiary of an interest in the share capital of a company with a value of at least one-third of the Company's assets according to the consolidated balance sheet with explanatory notes included in the last adopted annual accounts of the Company.

Based on the recommendations of the Audit Committee, the Board also sets Guidelines for the system of internal control and risk management aimed at identifying, measuring, managing and monitoring the principal risks to which the Company and its subsidiaries are exposed, determining the level of acceptable risk consistent with its strategic objectives. The Board of Directors is also responsible for:

- the evaluation of adequacy of the organizational, administrative, and accounting structure
- the system of risk management and internal control
- the general performance of FCA on the basis of reports from the executive directors, as well as for supervising effective compliance with the administrative and accounting procedures and the adequacy of the powers and resources attributed to the manager responsible for the Company's financial reporting.

General meetings are the mechanism through which all shareholders are represented. At general meetings, shareholders vote individually on approval of the annual financial statements, the appointment of members of the Board of Directors and the engagement of the independent auditors. The general meeting of shareholders has at all times power to suspend or to dismiss any director. The term of office of directors is for a period of approximately one year after appointment, such period expiring on the day the first annual general meeting of shareholders is held in the following calendar year at the end of the relevant meeting.

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Furthermore the Board of Directors requires the approval of the general meeting of shareholders for resolutions concerning an important change in the Company's identity or character, including in any case:

- the transfer to a third party of the business of the Company or practically the entire business of the Company
- the entry into or breaking off of any long-term cooperation of the Company or a subsidiary with another legal entity or company or as a fully liable partner of a general partnership or limited partnership, where such entry or breaking off is of far-reaching importance to the Company
- the acquisition or disposal by the Company or a subsidiary of an interest in the share capital of a company with a value of at least one-third of the Company's assets according to the consolidated balance sheet with explanatory notes included in the last adopted annual accounts of the Company.

## Composition of the Board of Directors of FCA

GRI-G4 38



On 12 October 2014, the cross-border merger (approved on 1 August 2014) of Fiat S.p.A into **Fiat Investments N.V.** (renamed "Fiat Chrysler Automobiles N.V") was completed and during the **Extraordinary General Meeting** (EGM) the merger terms and the merger plan were approved. During the EGM, Fiat also announced that the **FCA Board of Directors**, upon completion of the Merger, would be composed of the following individuals: John Elkann, Sergio Marchionne, Andrea Agnelli, Tiberto Brandolini d'Adda, Glenn Earle, Valerie A. Mars, Ruth J. Simmons, Ronald L. Thompson, Patience Wheatcroft, Stephen M. Wolf and Ermengildo Zegna.

The main features of the new Board are:

- the charters of the Audit Committee, Compensation Committee and Governance and Sustainability Committee set forth independence requirements for their members for purposes of the **Dutch Corporate Governance Code**. Audit Committee members are also required to qualify as independent for the purposes of the NYSE rules and Rule 10A-3 of the Exchange Act
- 7 of the 11 directors are independent, or 64% of the total
- the Board is composed of 3 women and 8 men, with women accounting for 27% of the total.

For more details on the Board of Directors, including its composition and the CVs for individual members, see the Board of Directors section of [www.fcagroup.com](http://www.fcagroup.com).

## Qualification and Expertise of Directors

GRI-G4 38, 40



With regard to the nomination and selection process for the Board of Directors and its Committees, criteria considered include independence, expertise and prior experience.

The Board of Directors is currently made up of 11 members, 7 of whom are independent. The current number allows to the Board to continue to have an adequate mix of technical abilities, professional background and experience, both general and specific, gained in an international environment and pertaining to the dynamics of the macro-economy and globalization of markets, more generally, as well as the industrial and financial sectors, more specifically. It also allows to a mix of skills and experience that is adequate in terms of the size of the Company and the Group, as well as the complexity and specific characteristics of the sectors in which the Group operates and the geographic distribution of its businesses.

The Board also emphasized the benefits of gender diversity in its membership.

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## Evaluation of the Board of Directors' Performance



The Governance and Sustainability Committee also met in early 2015 to examine the 2014 Sustainability Report. The Governance and Sustainability Committee is responsible for, among other things, assisting and advising the Board of Directors with:

- periodical assessment of the size and composition of the Board of Directors
  - periodical assessment of the functioning of individual Directors and reporting on this to the Board of Directors.
- Such assessment is carried out through a self-evaluation process based on dedicated questionnaires. The results of that evaluation are usually reported to the Board during meetings.

This evaluation process focuses on the most material aspects relating to the Board of Directors as a collective body, individual Directors and their performance, and the Committees. In particular:

- (i) the structure, composition, role, functioning and responsibilities of the Board and each of its Committees
- (ii) procedures for Board and Committee meetings, management of information and decision-making processes
- (iii) the effectiveness, efficiency and completeness of the information provided to the Board on the work of the Committees
- (iv) the relationship between the Board and the Committees
- (v) an evaluation of the performance of the various Boards and Committees
- (vi) the value of the self-evaluation process itself.

## Remuneration

GRI-G4 51, 52, 53



The compensation of Directors and executives with strategic responsibilities is in line with that of other companies comparable to FCA.

The Company shall have a policy in respect of the remuneration of the directors. The remuneration policy is approved by shareholders. Prior to completion of the merger, Fiat, as FCA's sole shareholder, adopted the Policy, which will remain effective until a new remuneration policy is approved by FCA's first general shareholders' meeting following completion of the merger. The Policy is published on the [corporate website](#).

The objective of the remuneration policy is to provide a compensation structure that allows FCA to attract and retain the most highly qualified executive talent and motivating such executives to achieve business and financial goals that create value for shareholders in a manner consistent with our core business and leadership values. The Policy is based on the remuneration policies adopted in the past by the Company (and its predecessors) as aligned with Dutch law and the Dutch Corporate Governance Code.

The form and amount of the compensation to be paid to each of FCA's Directors is determined by the FCA Board of Directors in accordance with the remuneration policy.

With due observation of the remuneration policy and the provisions of law, including those relating to allocation of responsibilities between executive and non-executive Directors, the Board of Directors may determine the remuneration for the Directors in respect of the performance of their duties, provided that nothing contained in the remuneration policy shall preclude any director from serving the Company or any subsidiary or related company thereof in any other capacity and receiving compensation therefor and provided that the executive Directors do not participate in any decisions regarding determination of remuneration for the executive Directors.

The Compensation Committee is responsible for, among other things, assisting and advising the Board of Directors in:

- determining executive compensation consistent with the Company's remuneration policy
- reviewing and approving the remuneration structure for the executive Directors
- administering equity incentive plans and deferred compensation benefit plans
- discussing with management the Company's policies and practices related to compensation and issuing recommendations thereon.

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The Board of Directors determines the compensation for the executive Directors at the recommendation of the Compensation Committee and with reference to the remuneration policy.

The Board of Directors shall submit to the general meeting of shareholders for its approval plans to award shares or the right to subscribe for shares. The plans shall at least set out the number of shares and rights to subscribe for shares that may be awarded to the Board of Directors and the criteria that shall apply to the award or any change thereto.

The remuneration structure for executive Directors provides a fixed component as well as short and long-term variable performance based components. In determining the level and structure of the compensation of the executive Directors, the non-executive Directors will take into account, among other things, the financial and operational results as well as other business objectives of FCA.

Executive Directors are also eligible to receive variable compensation, either immediate or deferred, subject to the achievement of pre-established challenging economic and financial performance targets.

The Company establishes target compensation levels using a market-based approach and periodically benchmarks its executive compensation program against peer companies and monitors compensation levels and trends in the market.

The level and structure of the remuneration of the Executive Directors is determined by the Company's Board of Directors at the recommendation of the Compensation Committee within the scope of the Policy and taking into account the scenario analyses made. It is furthermore based on compensation levels offered in the market in general and for the sector.

The Company periodically benchmarks its executive compensation program and the compensation offered to executive Directors against peer companies and monitors compensation levels and trends in the market.

The compensation of the Chief Executive Officer is composed of a fixed component and a variable component, subject to the achievement of pre-established financial and other designated performance targets.

The FCA Board has set a fixed compensation for the Chairman.

The compensation of non-executive Directors consists of a fixed fee. Non-executive Directors elect whether their annual retainer fee will be made in half in cash and common shares of FCA or 100% in common shares of FCA; whereas, the committee membership and committee chair fee payments will be made all in cash (providing a Board fee structure common to other large multinational companies to help attract a multinational Board membership).

Remuneration of non-executive Directors is fixed and not dependent on FCA's financial results. Non-executive Directors are not eligible for variable compensation and do not participate in any incentive plans.

The primary objective of performance based short-term variable cash based incentives is to focus on the business priorities for the current or following year. The CEO's short-term variable incentive is based on achieving short-term (annual) financial and other designated objectives proposed by the Compensation Committee and approved by the non-executive Directors each year.

The primary objective of the performance based long-term variable equity based incentives is to reward and retain well qualified senior executives over the longer term while aligning their interests with those of shareholders. FCA's long-term variable incentives consist of a share-based incentive plan that links a portion of the variable component to the achievement of pre-established performance targets consistent with the Company's strategic horizon.

Each year, FCA publishes the total remuneration for each Board member and the Chief Executive Officer and - on an aggregated level - for executive officers.

Detailed information on compensation and incentive plans is provided in the Remuneration of Directors section of the Annual Report.

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## Board Committee

GRI-G4 34



The Board of Directors is supported by 3 Committees:

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

The roles and requirements of these committees are constantly updated to reflect current best practice in corporate governance.

### Governance and Sustainability Committee

In recognition of the importance of integrating economic choices with those of a social and environmental nature, the Governance and Sustainability Committee received the further responsibility of evaluating proposals related to Strategic Guidelines on sustainability-related issues and for monitoring and evaluating reports on the Group's sustainable development policies and practices, management standards, strategy, performance and governance globally and reviewing, assessing and making recommendations as to Strategic Guidelines for sustainability-related issues, and reviewing the annual Sustainability Report.

The Committee is composed of the following 3 Directors, 2 of whom are independent: John Elkann (Chairman), Patience Wheatcroft and Ruth J. Simmons. The governance structure demonstrates the important role attributed to management of sustainability topics across the business: at FCA, each employee and every organization, including also Top Management and Board level Committees, play a role in helping the Company continue to follow the path of continuous improvement and long-term commitments of our Sustainability model.

### Audit Committee

The Audit Committee is composed of the following 3 independent Directors: Glenn Earle (Chairman), Ronald L. Thompson and Patience Wheatcroft. Its role is to support the evaluation and decision-making process of the Board of Directors by providing advice and proposals in relation to the System of Internal Control and Risk Management and periodic financial reporting.

### Compensation Committee

The Compensation Committee is composed of the following 3 independent Directors: Stephen M. Wolf (Chairman), Valerie A. Mars and Ermengildo Zegna.

The Compensation Committee is responsible for, among other things, assisting and advising the Board of Directors in:

- (i) determining executive compensation consistent with the Company's remuneration policy
- (ii) reviewing and approving the remuneration structure for the executive Directors
- (iii) administering equity incentive plans and deferred compensation benefit plans
- (iv) discussing with management the Company's policies and practices related to compensation and issuing recommendations thereon.

For further details on the Board Committees, refer to the [Governance section](#) of the corporate website.

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## Representation

GRI-G4 39



The general authority to represent the Company shall be vested in the Board of Directors and the Chief Executive Officer. The Board of Directors or the Chief Executive Officer may also confer authority to represent the Company, jointly or severally, to one or more individuals who would thereby be granted powers of representation with respect to such acts or categories of acts as the Board of Directors or the Chief Executive Officer may determine and shall notify to the Dutch trade register. Such authority may be revoked provided that any authority conferred by the Board of Directors may be revoked only by the Board of Directors.

The role of Chairman and Chief Executive Officer of FCA is split and the Chairman of the Company is an executive director. FCA has a one-tier board structure, currently consisting of 11 Directors, and comprising both executive and non-executive Directors. The majority of the Directors shall consist of non-executive Directors. The role of the non-executive Directors is to supervise the policies of the executive Directors and the general affairs of FCA and its operations, as well as to assist the executive Directors by providing advice. The Board of Directors as a whole is responsible for the strategy of the Company. The Board of Directors exercises its duties, including the oversight of the Company, subject to the limitations contained in the Articles of Association.

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## Investor Relations



Relations with shareholders is an essential element of FCA's governance structure.

The Group has an Investor Relations team responsible for establishing and maintaining a constant relationship with the international financial community for the purposes of improving their understanding of the Group and its activities. Therefore, the FCA Investor Relations team keeps contact with financial analysts, individual shareholders and institutional investors, as well as regularly organizing conference calls, one-to-one meetings, and official presentations to communicate financial results, and participate at investors conferences.

The relevant material used in those occasions is published on the Group's website together with corporate and financial information, the corporate calendar and corporate governance documentation. All contact information is available online at the following: [www.fcagroup.com/en-US/investor\\_relations/contacts/Pages/contacts.aspx](http://www.fcagroup.com/en-US/investor_relations/contacts/Pages/contacts.aspx).

Furthermore shareholders can request information by phone (toll free in Italy: 800-804027) or by e-mail ([sedeto@computershare.it](mailto:sedeto@computershare.it) and [investor.relations@fcagroup.com](mailto:investor.relations@fcagroup.com)).

The FCA Annual General Meeting, which approves annual accounts, also represents an opportunity to communicate with shareholders.

FCA is committed to building and maintaining an ongoing dialogue with **Socially Responsible Investors (SRI)** who analyze environmental, social and corporate governance criteria as an indicator of a company's ability to generate long-term competitive financial returns and positive social impacts.

The Vigeo analysis (November 2014) shows that in 2014 the **free float held by Socially Responsible Investors was about 6.3%** (+22% vs. 2010) for a total of 35 asset owners<sup>(3)</sup> and 44 mutual funds<sup>(4)</sup>. This analysis includes the largest global asset owners, mainly pension funds (national, occupational, company specific, local governments), but also foundations and other institutional owners.

<sup>(3)</sup> Large financial organizations, pension funds, foundations, public funds and insurances, endowments or sovereign funds. They do not include assets management firms.

<sup>(4)</sup> The term is used in the same sense as for the European Fund and Asset Management Association (EFAMA) Statistical Releases: publicly offered open-end funds investing in transferable securities and money market funds. However, the data are not completely comparable, as this report includes some life insurances and pension funds complying with Vigeo definitions.

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## Process to Avoid Conflicts of Interest

GRI-G4 41



FCA is aware of the corrosive effects that corruption has on societies, and its impact undermining democracy and the rule of law. All business relationships are expected to be established and maintained with integrity and loyalty and without any conflict of interest between business and personal affairs. FCA, its Directors, officers, other employees and others to whom the Code of Conduct is addressed are committed to the highest standards of integrity, honesty and fairness in all internal and external affairs, in compliance with national and international anti-corruption laws, with particular reference to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the OECD Guidelines and Foreign Corrupt Practices Act ("FCPA"). FCA will not tolerate any kind of bribery (paying or offering to pay to obtain an improper business advantage) to public officials or representatives of international organizations or any other party connected with a public official and to private entities/individuals or which is otherwise prohibited by applicable laws.

To ensure the highest standards are met, principles of fairness, transparency and integrity have been included in detail in the relevant Guidelines (**Business Ethics** and **Anti-Corruption Guidelines** and **Conflict of Interest Guidelines**) and, together with the requirements of local law, they are to be adhered to by all employees, agents, suppliers and other individuals and entities that have a business relationship with FCA. Specific training initiatives are provided to inform employees and increase awareness on relevant matters.

The Guidelines specifically address:

- the prohibition of cash gifts to public officials, politicians or military personnel aimed at obtaining economic advantages for Group companies
- the need to include clauses in outsourcing and joint venture agreements that specify the consequences of violating anti-corruption laws
- the prohibition of gifts and benefits-in-kind for the purpose of gaining preferential treatment
- the possibility of donations for charitable purposes only and the requirement that contributions to political parties must be approved by top management
- full compliance with laws applicable to the export of goods and services.

In May 2014, the Group approved specific Guidelines on Competition and Antitrust with the purpose of increasing awareness of how these laws affect the companies. They share the common objective of ensuring that competition is not artificially distorted or restricted. The Competition law regulates four types of conduct:

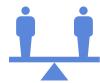
- agreements or arrangements among competitors
- agreements or arrangements with customers or supplier
- conduct by companies in a dominant position
- mergers, acquisitions, joint ventures and other types of business combinations.

The international nature of FCA's business brings the Company within the ambit of the competition laws of numerous countries. In particular, the Competition laws in the European Union, the United States, Canada, Latin America, Australia, Japan and China.

In relation to the highest governance bodies, the highest standards of transparency and strict criteria are followed:

- some Directors also hold positions at other listed companies or companies of significant interest. Excluding the positions held by the executive Directors within FCA, the most significant cross-board membership are reported on the [corporate website](#)
- an adequate number of independent Directors is an essential element in protecting the interests of shareholders, particularly minority shareholders, and third parties, assuring that potential conflicts between the interests of the Company and those of the controlling shareholder are assessed impartially. The contribution of independent Directors is also fundamental to the composition and proper functioning of Committees tasked with undertaking ex ante evaluations of risk and, where identified, formulating proposals to address that risk. Those Committees represent one of the most effective means of managing potential conflicts of interest
- independent criteria: the Board of Directors is currently made up of 11 members, 7 of whom are independent.

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## Code of Conduct and Human Rights

- Code of Conduct and Human Rights Overview
- Human Rights Risk Assessment
- Monitoring Code of Conduct Violations
- Fighting Corruption
- Compliance
  
- ▲ Sustainability Plan

### Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Code of Conduct and Human Rights will be reported.



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## Code of Conduct and Human Rights Overview

The values upon which a company is based are as important as its industrial projects and financial viability. FCA recognizes that investments in machinery and plants alone cannot account for the results a company achieves. The importance of legacy must also be considered, in particular concerning people and values.

The Fiat S.p.A **Code of Conduct** represents a set of values recognized, adhered to and promoted by the Company, which believes that conduct based on the principles of transparency, integrity and fairness is an important driver of social and economic development. The Code of Conduct is a pillar of the governance system that regulates the decision-making processes and operating approach of the Group and its employees in the interest of stakeholders. Explicit reference is made in the Code to the United Nations' Universal Declaration of Human Rights, the principal Conventions of the International Labour Organization (ILO), the OECD Guidelines for Multinational Enterprises and the U.S. Foreign Corrupt Practices Act (FCPA). Specific Guidelines, which are an integral part of the Code of Conduct, were created to address the following aspects: Environment, Health and Safety, Business Ethics and Anti-Corruption, Sustainability for Suppliers, Human Capital Management, Human Rights, Conflict of Interest, Community Investment, Data Privacy, ICT Assets, Stakeholder Engagement, and - approved by the Board of Directors in 2014 - Export Control and Anti-trust.

The Code, available in 10 languages, may be consulted and downloaded from FCA's corporate website as well as its employee portal, and is posted throughout the Company for employee access. Copies can also be obtained from Human Resources, the Legal Department or the Head of Internal Audit and Compliance. The Code applies to the members of the Board of Directors, to all employees of the Group and to all other individuals or companies that act in the name of, and on behalf of, one or more companies. The Code is communicated in a variety of ways: Corporate Officers must sign a binding document<sup>(1)</sup> expressing the commitment to abide by all of its rules; managers must sign a letter declaring awareness and acceptance of its content; other employees receive a copy of the Code during the hiring process and their employment confirmation letter makes reference to the Code.

FCA US (formerly Chrysler Group) has its own **Integrity Code** and standards of conduct.

The FCA US Integrity Code, available in several languages, is supported by policies and procedures that contribute to creating a corporate culture characterized by integrity, transparency and accountability. These policies cover topics such as Discrimination and Harassment Prevention; Workplace Violence Prevention; Employee Health and Safety; Environmental Protection; among others. The Integrity Code, standards of conduct, and policies can be found online on the employee portal.

The principles and content of the FCA US code and policies are aligned with those of the parent company FCA N.V. Code of Conduct.

FCA disseminates the principles established in the Code of Conduct and the values of good governance to all employees. In 2014, 50,243 FCA employees worldwide received training in ethics and compliance, with particular focus on the Code of Conduct, business ethics, best practices related to anti-corruption, corporate governance and human rights (including non-discrimination) topics.

The Group is committed to fight corruption, money laundering, terrorism and other crimes. In Latin America, for example, a dedicated website<sup>(2)</sup> was created for all stakeholders to access the Code of Conduct and to provide a channel for receiving complaints. Similarly, to extend the channels for receiving suspected violations of the Code of Conduct, a dedicated email address was created directed to the FCA Chief Audit Executive<sup>(3)</sup>. FCA US also has dedicated hot lines and a dedicated email address<sup>(4)</sup> available to anonymously report alleged violations.

<sup>(1)</sup> For reference, see Appendix C of the Code of Conduct.

<sup>(2)</sup> <http://www.eticagrupofiat.com.br>

<sup>(3)</sup> [segnalazioni@fcagroup.com](mailto:segnalazioni@fcagroup.com)

<sup>(4)</sup> [bpoffice@fcagroup.com](mailto:bpoffice@fcagroup.com)

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## Next steps

Following the creation of Fiat Chrysler Automobiles N.V. in October 2014, the Board of Directors and shareholders of the new entity adopted the Code of Conduct of the former Fiat S.p.A. ("Code of Conduct") until further determination by the FCA Board of Directors. This Code of Conduct continues to apply to FCA and its subsidiaries as it applied to the former Fiat S.p.A. and its subsidiaries, as well as to their respective business partners, such as suppliers and dealers.

With respect to FCA US, its Integrity Code and standards of conduct will remain in effect and applicable to its employees until a new Code covering the entirety of FCA N.V., currently under development, is approved. FCA US became an indirect 100% owned subsidiary of FCA N.V. in 2014.

A new Code of Conduct applicable to FCA and all of its subsidiaries is being developed and expected to be submitted for approval to the FCA N.V. Board of Directors in the first half of 2015.

## Code of Conduct for Business partners

FCA promotes the adoption of the Code as a best practice to the business conduct of our partners, suppliers, consultants, dealers and others with whom we have a long-term relationship. For this reason, contractual clauses have been progressively introduced since 2009, and the new agreements require suppliers to adhere to the Code of Conduct and related Guidelines, as well as compliance with local laws and regulations.

In addition, supplier self-assessment questionnaires and field audits are regularly conducted by internal Supplier Quality Engineers and/or external organizations to verify the levels of adherence to the sustainability standards required by FCA. [Suppliers](#) are required to provide references on how they manage and prevent all forms of discrimination, harassment, child labor and forced labor in the workplace, as well as any sort of bribery and corruption (public/private), and on how they protect human rights, including freedom to associate.

## Adherence to Human Rights

In accordance with the Code of Conduct, FCA "does not employ any form of forced, mandatory or child labor, namely it does not employ people younger than the permissible age for working established in the legislation of the place in which the work is carried out and, in any case, younger than 15, unless an exception is expressly provided by international conventions and by local legislation." The annual survey of child labor at FCA companies covered more than 97.5% of employees<sup>(5)</sup> worldwide, and showed that no incidents of child labor or forced and compulsory labor took place in any of the companies mapped, including those located in countries that have not ratified ILO Conventions on these issues.

The survey also confirmed that no FCA company employs individuals under the minimum working age set by local legislation, apprentices under the statutory minimum age, or minors under 15 years of age in countries where the minimum age is lower.

To address the potential risk of child labor, FCA has initiated several projects in areas where we have operations. Projects aimed at advocating inclusion and promoting completion of schooling typically takes the form of job training courses in several countries. For more details, please see the [supporting education section](#).

FCA's commitment to the respect for human rights applies across the entire organization without exception; in fact, security personnel are also trained on this topic. In 2014, 19,400 FCA employees in Italy were engaged in a Privacy course for the boundary of policies and procedures concerning aspects of human rights.

<sup>(5)</sup> Including Sevel Italia.

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## Human Rights Risk Assessment

In 2014, FCA carried out a **Human Rights risk self-assessment**, which forms part of the standard audit process for the EMEA, LATAM and APAC regions including all companies, to evaluate effective application of the UN Ruggie Framework Guiding Principles on Business and Human Rights. Areas covered by these self-assessments include:

- Child labor & young workers
- Forced labor
- Freedom from discrimination
- Terms of employment
- Security
- Supply chain management.

At two companies, the due diligence process highlighted the need to improve aspects related to employee job descriptions and to standardize supplier and other third-party agreements to include reference to, and acceptance of, the Group's Code of Conduct.

Individual legal entities carried out assessments based on their human rights compliance checklist and, as part of the standard audit procedures, 50% of those items were checked by Internal Audit & Compliance.

These activities demonstrate the Group's continuing commitment to the respect of human rights within and outside its boundaries.

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## Monitoring Code of Conduct Violations

Violations of the Code of Conduct are essentially identified through:

- periodic activities carried out by Internal Audit & Compliance
- reports received in accordance with the Whistleblowing Procedures
- standard business activity.

As part of the standard audit procedures, in 2014 **Internal Audit & Compliance** verified the level of knowledge and compliance with the Code of Conduct at FCA companies worldwide (excluding the NAFTA region). The standard audit scope had been expanded in 2012 to include a number of ethical aspects, with particular emphasis on human rights, business ethics, conflicts of interest, and corruption and discrimination.

During 2014, 233 **cases of actual violations** of the Code of Conduct were reported. A total of 203 employees were subject to disciplinary actions as a result of violations that came to light during standard operating procedures, and a further 18 cases were identified through the **Whistleblowing Procedure**. As a consequence of 15 reports received through the Whistleblowing Procedure, improvements were made to the Internal Control System, including revisions to certain policies and procedures.

For all Code violations, the disciplinary measures taken were commensurate with the seriousness of the case and complied with local legislation. The relevant departments were notified of the violations, irrespective of whether criminal charges were brought by the authorities.

The principal categories of violation verified in 2014 included absenteeism, improper and unethical behavior and misuse of Company assets.

### Violations of Code of Conduct<sup>(6)</sup>

	2014	2013	2012
Actual violations revealed during standard operating procedures, periodic activities carried out by Internal Audit and checks forming part of standard operating procedures	203	246	251
<i>Alleged violations received (internally and externally) via Whistleblowing Procedures</i>	98	86	30
of which:			
verified actual violations in current year	18	14	2
verified actual violations from previous years	12	4	3
<b>Total actual violations</b>	<b>233</b>	<b>264</b>	<b>256</b>

<sup>(6)</sup> FCA US not included in the scope.

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## Fighting Corruption

FCA is aware of the corrosive effects corruption has on societies, and its impact undermining democracy and the rule of law. To ensure the highest standards are met, principles of fairness, transparency and integrity have been included in detail in the relevant Guidelines (Business Ethics and Anti-Corruption Guidelines and Conflict of Interest Guidelines) and, together with the requirements of local law, they are to be adhered to by all employees, agents, suppliers and other individuals and entities that have a business relationship with FCA. The Guidelines specifically address:

- the prohibition of gifts to public officials, politicians or military personnel aimed at obtaining economic advantages for FCA companies
- the need to include clauses in outsourcing and joint venture agreements that specify the consequences of violating anti-corruption laws
- the prohibition of gifts and benefits-in-kind for the purpose of gaining preferential treatment
- the possibility of donations for charitable purposes only and the requirement that contributions to political parties must be approved by top management.

Compliance with business ethics standards, including those that relate to corruption, is checked through regular audits conducted by the FCA Internal Audit & Compliance department based on the annual risk assessment.

In the NAFTA region, functional areas have been subject to analysis on an ongoing basis to detect risks related to corruption both through audits of the area itself and the management process governing each area. In addition, the Legal Compliance Questionnaire (LCQ) has been distributed annually to the operating areas, managed by the Office of the General Counsel (OGC). It contains both general and area-specific questions to ensure full awareness and compliance with anti-corruption policies and procedures. In the event an issue is identified, the OGC will work with the Business Practices Office to investigate and resolve the issue.

## Compliance

A summary is provided below of the final court judgments, final arbitration awards and other final orders deemed significant because of their value and for which a final decision was issued in 2014 against companies of FCA Group (**Final Judgments**).

There were no significant Final Judgments relating to breaches of i) environmental legislation, ii) rights of local communities, iii) marketing, advertising, promotions and sponsorships, iv) privacy, v) product liability, vi) contractual liability, vii) product and service information and labeling, viii) litigation with suppliers.

In September 2014 the National Development and Reform Commission of the Government of the People's Republic of China in connection with an investigation involving several auto manufacturers announced the imposition on a local subsidiary of the FCA Group of an administrative fine in the amount of approx. €4.4 million as a result of past practices that were deemed to violate the Chinese Anti-Monopoly Law.

In addition there were also certain non-final judgments or administrative orders issued against FCA Group companies that are still pending and whose final outcome remains uncertain (Non-Final Judgments). In February 2014 the Brazilian Department of Consumer's Protection and Defense imposed on a local subsidiary of the Group an administrative fine in an amount of approx. €0.6 million in connection with an alleged delay in communicating with customers regarding certain recall campaigns. In December 2014 the Argentina's National Commission for the Defense of Competition fined seven car manufacturers, including FCA's local subsidiary, in amounts ranging from €5 to €14 million due to alleged anticompetitive practices, consisting in selling vehicles in the province of Tierra del Fuego for the same prices that prevail elsewhere in Argentina, even though Tierra del Fuego is a special no-tax zone. Both fines have been appealed by the companies involved which are fully confident that these matters will be clarified in due course.

Lastly, final rulings delivered in 2014 related to labor and social security litigations against FCA Group companies were aligned to those from previous years and concentrated mostly in Brazil, mainly related to the interpretation of local regulations. None of these final judgments can be considered exceptional either in nature or in number.

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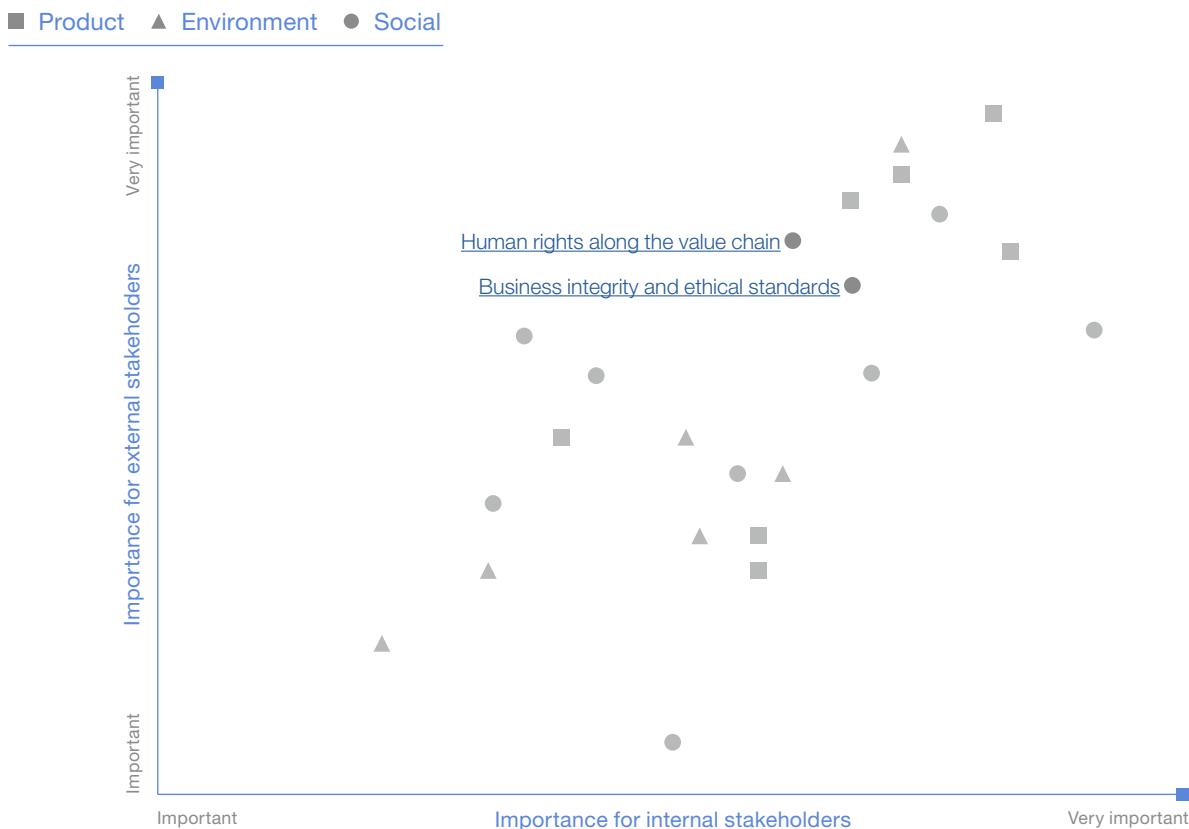


## Risk Management

- Enterprise Risk Management
  - Business Continuity Management
  - Management of Pure Risk
  - Environmental Insurable Risks
- ▲ Sustainability Plan

### Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Risk Management will be reported.



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## Enterprise Risk Management

FCA adopted an **Enterprise Risk Management (ERM)** model in 2004 to provide greater transparency and disclosure of business risks and comply with regulatory directives on the adoption of appropriate governance models<sup>(1)</sup>. The ERM model - which is based on the framework established by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) and adapted to the specific needs of the Group - was updated in 2010 to reflect experience acquired over the years and include best practices that emerged from a comparison with other industrial groups. In particular, risk drivers were remapped into new, refined or reformulated clusters to better respond to new requirements or emphasize significant issues (climate change, macroeconomic developments, joint ventures, etc.). Over 50 risk drivers were identified, which are further broken down into approximately 85 potential events. On the basis of a pilot project conducted in 2013, the ERM model was subsequently revised to make the **analysis of potential risks** dynamic (through periodic evaluation of the main risks with follow-up and monitoring of mitigating actions identified and/or implemented), predictive (through prospective risk assessment), and cross-functional (through risk assessment with direct involvement of business areas). ERM Coordinators from the relevant Finance departments were appointed for each Sector/Region and are responsible for preparing, coordinating and holding cross-functional meetings with the heads of key operating segments. The objective of these meetings is to facilitate discussion, identification and evaluation of potential risks, as well as the formulation of risk mitigation plans.

This process is based on a bottom-up approach, beginning with individual business units, and supported by a dedicated IT platform from which summary reports, including any containment measures to be implemented, can be generated for each Company/Region. Companies CEOs and CFOs and regional COOs approve these reports. The Group CFO is responsible for coordinating and consolidating these reports in the Group Risk Report, which is submitted annually to the Audit Committee that assists the Board of Directors in verifying the adequacy and effective functioning of the Internal Control System.

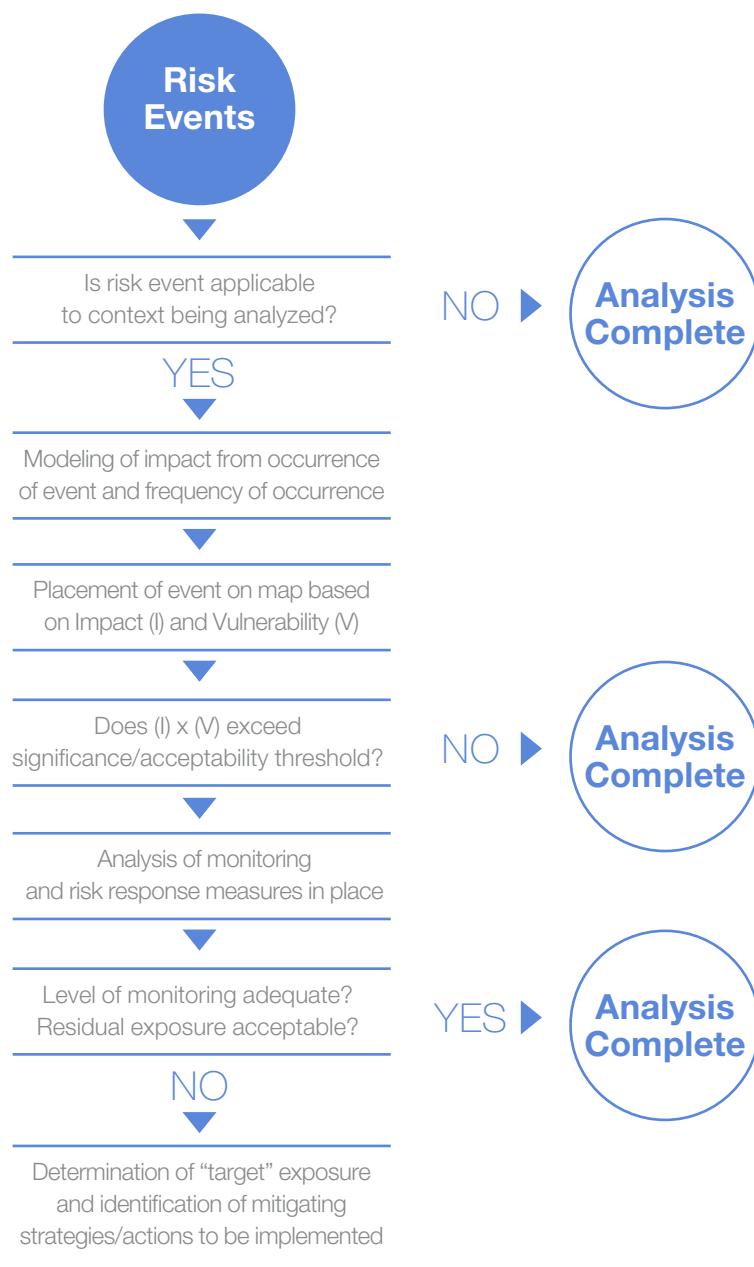
An assessment undertaken subsequent to the 2010 update revealed various risks related to climate change, including regulatory risk, increased consumer preference for eco-sustainable products, reputational impact in communities where FCA operates and increased energy costs. As in the past, FCA has ensured continuous management of these risks using the most appropriate and effective tools, gearing research and investment toward products with an ever-decreasing environmental impact, promoting the use of low emission vehicles, improving the ability of the sales force to convey the ecological benefits of FCA vehicles to customers, implementing efficiency initiatives to reduce energy consumption at plants and using energy from renewable sources.

Starting in 2014, the deforestation risk is also included in FCA's risk map as it is considered significant to the global analysis of environmental risks.

<sup>(1)</sup> This methodology defines a risk as any event that could impact the Company's ability to achieve its objectives.

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Certain specific risks<sup>(2)</sup> are monitored by entities with the appropriate technical expertise. For example, risks associated with the potential impact of FCA's industrial activities on the environment and climate are monitored and proactively managed by the Environment, Health and Safety (EHS) function for each company, in accordance with the Environment pillar of World Class Manufacturing. Individual plant managers are responsible for the operational aspects, and their activities are coordinated by the Group's EHS structures. In addition, FCA risk management entities are responsible for managing and insuring against pure risks (e.g., fires, explosions, natural disasters). These entities play a central role in managing events that could potentially impact the continuity of operations or the integrity of physical assets at the Group's plants.



<sup>(2)</sup> Additional information on the management of financial risks is provided in FCA's 2014 Annual Report.

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## Business Continuity Management

FCA has business continuity plans in place to ensure **continuity of operations** following a potential disruption or catastrophic event, such as a natural disaster, pandemic, or cyber-attack, including similar events within its supply chain.

The business continuity management process is comprised of four major elements:

- conducting an enterprise risk assessment, during which facilities and functions are analyzed in terms of their relative vulnerability and potential level of impact of disruptions. Reputational, operational and financial risks are taken into account, and a “heat map” is developed to enable prioritization for the business continuity plan
- undertaking a **Business Impact Analysis (BIA)** for each facility or function, beginning with the higher-risk entities. In a BIA, all major buildings, equipment, processes, human resources, suppliers and IT systems are identified, rated based on their criticality in achieving operational objectives, and an estimated “time to recover” is determined
- developing a **Business Continuity Plan (BCP)**, which specifies the procedures for business recovery
- testing the BCP, generally through a table-top exercise.

In 2014, BCPs were completed and tested for 11 higher-risk plants in the United States, Canada and Mexico. The business continuity process is being expanded to additional facilities and business functions, based on the priorities identified in the enterprise risk assessment.

The results and priorities of the business continuity management process are reviewed regularly by a steering committee comprised of members of FCA US senior management.

FCA Services has in place a Business Continuity Plan to avoid external or internal events that could breach operations for the provisioning of services to the customers or impair the performance of such services.

FCA Services Business Continuity Plan follows the best practices and requirements of International Standards (FCA Services is ISO 27001:2013 certified) and put the focus on the safety of employees and on the continuity for the provisioning of the services.

The Continuity of the Business is ensured through a continuous improvement cycle that includes:

- policies and Procedures: followed by all FCA Services countries Enterprise Risk Assessment and Business Impact Analysis: to identify financial, reputational, operational risks and key resources needed
- continuous control and monitoring of events that can impact the business
- test, from tabletop exercises to full test to ensure the validity of the plan and involve and train our employees (these test are performed yearly in all FCA Services countries).

All 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 continuous improvement of the FCA Services Business Continuity Plan.

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## Management of Pure Risk<sup>(3)</sup>

FCA takes active measures to **prevent risks** that could result in damage to the Company's physical assets or disruption in operations.

The four pillars of the Group's risk management activities are:

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

The **FCA risk management** entities manage all aspects of pure risk from identification to analysis and treatment, including loss prevention. 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 could potentially impact the continuity of operations or integrity of physical assets at the Group's 1,000 sites worldwide.<sup>(4)</sup>

The entire risk management process is conducted with maximum transparency and technical expertise, with the support of consulting firms specialized in industrial risk that, through field audits, help guarantee an impartial, in-depth and continuous assessment of risk across the Group.

During 2014, FCA's risk management entities were responsible for management of 223 sites worldwide, representing 92% of insured value.

To ensure that industrial risk is adequately and efficiently monitored, 98% of sites are surveyed at least once every three years and more than 50% are surveyed annually. In 2014, a total of 114 sites (representing approximately 79% of FCA's industrial activities) and 479 new projects were inspected or monitored to ensure conformity with the highest international standards in loss prevention.

In addition, FCA invested a total of approximately €39.4 million in loss prevention and risk mitigation measures during the year.<sup>(5)</sup> Of that total, €24 million were related to improvements needed to bring certain sites into line with FCA's loss prevention standards, and the other €15.3 million were related to major expansions and greenfield investments.

The €24 million in targeted investments reduced loss expectancies by approximately €2.36 billion and resulted in a Global Efficiency Index (GEI) of 1,<sup>(6)</sup> which is in line with the highest international standards.

The Group's risk management entities apply forward-looking, risk engineering approaches and solutions.

This includes specific projects that highlight the contribution of risk management in addressing climate change issues.

<sup>(3)</sup> Pure risks are risks resulting from natural causes or accidental or malicious acts (fire, explosion, floods, etc.) that may result not only in damage to goods or facilities, but also lead to a short- or long-term disruption in operations.

<sup>(4)</sup> Approximate number of sites covered at the start of the 2015 insurance year.

<sup>(5)</sup> Figures relate to the insurance year from 1 July 2013 to 30 June 2014.

<sup>(6)</sup> Global Efficiency Index for loss mitigation (GEI = reduction of expected damage/cost of protection) is recognized as a measure of best practice for industrial risk management.

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Current projects include:

- a new approach to insurable environmental risks
- refinements to the Visual Command Center
- earthquake risk re-engineering
- climate change impact analysis
- carbon emissions avoidance through effective loss prevention
- business continuity management processes to enable recovery of business operations from a disruptive event
- mitigating supply chain risk through improved confidence.

The FCA risk management entities provide a vital, real-time contribution to FCA's sustainable development and a competitive advantage in a fast-changing and challenging global business environment. The principal areas of focus include:

- refining existing tools, processes, measurements and risk models to facilitate a more complete risk-based analysis of business decisions and the evaluation of emerging risk-based opportunities
- integrating and consolidating risk management programs
- increasing risk awareness throughout the organization
- creating a cross-functional risk management Committee that periodically reviews all areas of FCA's Enterprise Risk Management.

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## Environmental Insurable Risks

### New Approach to Insurable Environmental Risks



#### What:

FCA has developed an innovative **risk management methodology** in collaboration with Environment, Health and Safety (EHS) departments across the Group, a major international consultancy and certification firm, and an insurance partner. This methodology enabled FCA to:

- obtain an objective and quantified assessment of its insurable environmental exposures
- develop improvements to risk profile based on the EHS strategies for each business unit
- understand and clearly communicate priorities and benefits
- effectively inform the insurance market about activities to prevent and mitigate potential environmental losses
- obtain environmental insurance coverage appropriate to the level of risk exposure and potential loss
- carry out prevention activities in line with Group strategies.

#### When used:

During 2012-2013, 69% of FCA's total insured value was analyzed and quantified using this methodology. To validate information collected through self-assessments in 2013 and 2014, on-site visits were conducted at a select group of sites considered adequately representative of the Group in terms of size, activity and geographical distribution. The visits were organized by the EHS department for each operating company and were conducted by environmental risk engineers from a leading global environmental risk insurer.

#### Outcome:

These activities provided the basis for development of the Group's first environmental maps. These maps provide a quantification of the overall level of risk using a scientifically-based certified self-assessment tool.

#### Lessons learned:

The results were presented to the insurance market and provided confirmation that FCA's environmental risks have been adequately identified and quantified and are properly managed. These results also enabled the Group to put comprehensive global insurance coverage in place.

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## Earthquake Risk Re-engineering Project



### What:

FCA Risk Management is part of a collaborative research project with AXA MATRIX Risk Consultants, the University of Naples Federico II and Magneti Marelli. The objective of the project is to develop advanced quantitative methods for assessing seismic risk and scientifically-based risk management procedures.

The working group developed an “Integrated Approach to Seismic Risk Assessment and Management,” a multi-level framework enabling advanced assessment of seismic risk and rational allocation of resources.

The methodology has enabled FCA to efficiently assess, properly quantify and proactively manage the seismic risks to which its manufacturing sites are exposed.

### When used:

During the project, a multi-level procedure was developed that can provide a quantitative measure of seismic risk using different knowledge levels as inputs:

- level 1 - relative, mainly for prioritizing targets
- level 2a - absolute analysis based on actual fragility curves
- level 2b - absolute analysis based on computed fragility curves.

### Outcome:

The principal output was a ranking of the portfolio based on seismic risk. This served as a basis for setting priorities, including determining which facilities identified as high-priority would be subject to a more detailed analysis.

In 2014, the team extended application of the “Integrated Approach” and, in addition to evaluating building performance under seismic excitation, conducted a more rational assessment of the consequences of earthquakes, in terms of economic impacts on activities and contents.

In addition, the final stage of the research project that was initiated after the 2012 earthquake in Emilia Romagna (Italy) resulted in a pilot system for real-time monitoring of seismic risk being installed at a Group plant. The primary objective is to provide a tool that can aid decision-making during the post-event period (i.e., potential aftershocks).

### Lessons learned:

Recent major seismic events in industrialized countries (Japan, 2011; Italy, 2012) have demonstrated the importance for global manufacturers to have a system in place for efficient, transparent and proactive management of seismic risk.

Quantitative seismic risk assessment, providing sound probabilistic estimates of potential earthquake impacts, is key to a meaningful and responsive decision-making process.

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## Climate Change: Potential Impact Analysis



### What:

Study of the potential new risks posed by climate change with the following three main objectives:

- raise awareness across the entire organization of the potential risks posed by climate change
- explain the nature of the risks associated with climate change
- verify that all existing risk management processes, and any new measures developed, take climate change risks into consideration.

### When used:

The primary focus of the hail project was protection of finished vehicles held in uncovered lots. It also has applications for FCA's manufacturing plants and other sites. The objectives are to:

- widen the period of hail net coverage
- support the emergency response teams with weather forecasts and alerts of expected storms
- implement a rain project to develop a methodology for analyzing potential risks from rainwater based on gap analyses of the design data used at the time a building was constructed, and current design data requirements which incorporate activity and latitude (as per internationally recognized construction standards).

### Outcome:

The hail risk project implemented use of a weather service that provides advisories for snowstorms, rainstorms and hailstorms, as well as long-range forecasts to optimize the installation and removal of hail protection nets.

The results of the hail risk project included:

- identification of data relating to rainwater collection and storage/distribution systems at plants
- creation of a module for collection and reporting of key data
- development of a methodology for identification and extraction of the current design data for the specific activity and latitude
- development of a software program to conduct gap analyses
- implementation of processes to identify action priorities based on the results of the gap analyses and the values at risk.

### Lessons learned:

Implementation of the weather alert service has already contributed to the avoidance or mitigation of some significant losses.

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## Mitigating Supply Chain Risk



In today's highly competitive environment, managing supply chains has become increasingly challenging. This is particularly true in the automotive industry due to:

- globalization of the market
- more interdependent and integrated processes between companies
- increased use of manufacturing, distribution and logistics partners resulting in complex international supply network relationships
- reduced buffers of in-process and finished goods inventories
- increased demand for on-time delivery with shorter time windows and lead times
- shorter product life cycles and compressed time-to-market
- capacity limitation of key components for rapid, large-scale ramp-ups.

Supply chain risk management that focuses on both internal and external risks is becoming a more common management priority. To be effective, an organization's risk management strategy should not only focus on its own risks, but also needs to address risks in other areas of the supply chain.

Since 2013, FCA's risk management entities **started to identify** key suppliers using a semi-quantitative approach utilizing information collected by field engineers during plant audits and in discussion with senior plant management. In 2014, a second initiative was developed - with the support of the purchasing and sustainability functions - which involves surveying a target group of suppliers to verify that they have adequate risk management procedures in place to ensure continuity of supply. **The pilot phase will be conducted in 2015.**

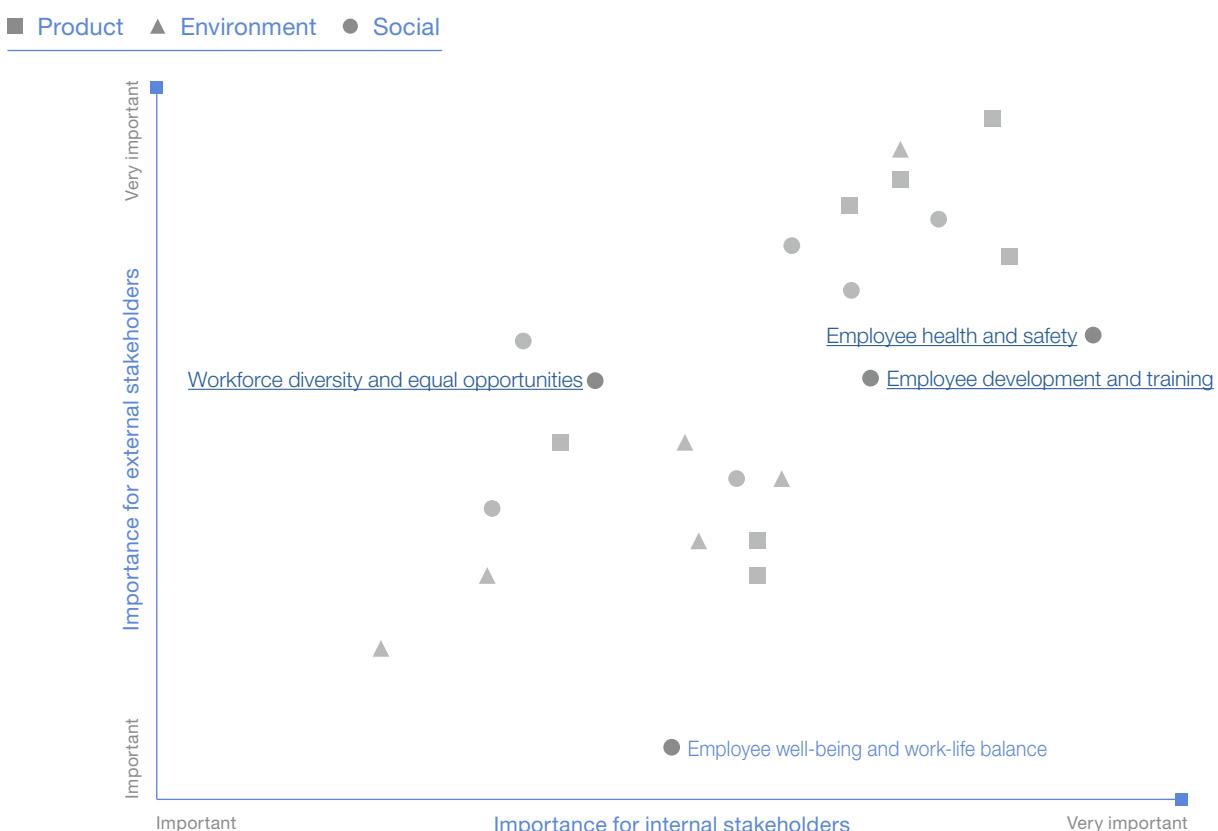


# Employees

- Management and Development
- Talent Management and Succession Planning
- People Satisfaction Survey
- Training
- Workforce Insight
- Turnover
- Fair Compensation
- Diversity and Equal Opportunity
- Work-life Balance
- Occupational Health and Safety
- Employee Commuting
- Business Travel
- Offices
- Green IT
- ▲ Sustainability Plan

## Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Employees will be reported.



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## Management and Development

Through robust **people management** processes that cover the entire employee life cycle - from selection to retirement - the Group is committed every day to developing its talent, focusing on both business and individual growth opportunities. FCA not only recognizes that human capital is essential for its success, but also believes that it has a responsibility toward its employees. The Group's approach to human capital management and development rests on five key principles:

- merit must always be recognized and employed
- leadership is a worthy calling which enhances people's lives
- taking on the competition is the stimulus for aiming ever higher
- best-in-class performance is the goal we want to achieve
- keeping our promises is what makes us credible and reliable.

These principles are essential to the Group culture and have been embodied worldwide into FCA's people management processes. Through these methods, employees have the opportunity to be evaluated based on their performance and to unleash their potential and achieve the targeted results.

**Performance and Leadership Management (PLM)** is the appraisal system adopted worldwide to assess FCA employees (manager, professional and salaried).<sup>(1)</sup> Through PLM, specific targets are established to guide and assess employees in relation to their results, attitudes and behaviors.

This unique skills mapping and evaluation process, which is the basis for variable compensation,<sup>(2)</sup> is supported by information systems that enable managers to constantly access up-to-date information on the people within their organizational unit. In this way, the individual performance of each employee is accessible and can be reviewed by upper management within the organizational structure. The PLM process serves not only as the basis for all personnel related management decisions, but is also a fundamental element in talent management, succession planning and the orientation of our culture around sustainability principles. **Sustainability targets** are incorporated every year in the performance management system for 100% of individuals with responsibility for projects included in the Group Sustainability Plan, for Group Executive Council members and a majority of second-level reports to heads of operating sectors and certain central functions.

During 2014, complete performance and leadership mapping processes were conducted for approximately 60,700 FCA employees, including all managers and professionals and a portion of salaried employees.

In 2014, 80% of salaried employees were evaluated using the PLM process, an increase of 11% from 2013. 100% of hourly workers complete a pre-employment screening and an initial probationary evaluation through the WCM performance management system.

The importance of the evaluation process to the Company's success is also evidenced by the dedication of top management. Each year several days are devoted by the FCA Chief Executive Officer, Chief Human Resources Officer, Regional Chief Operating Officers and supporting business Heads; they focus on analyzing and validating the results of the PLM process, with particular emphasis on senior managers. Several decisions regarding career development for individuals are also discussed and confirmed, resulting in organizational changes, cross-region and cross-company transfers, and several key positions being filled largely by internal candidates.



**60,700** employees  
evaluated in 2014

<sup>(1)</sup> A similar appraisal system, named Performance & Behavior Feedback (PBF), is in place for 376 salaried employees in Germany and France.  
<sup>(2)</sup> The PLM process is the basis for the individual contribution element for manager and professional employees' variable compensation.

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## The PLM annual calendar

GRI-G4 DMA, LA11



At the beginning of each year, managers and employees discuss and agree upon individual targets for the year, both in terms of individual performance and their development plans. Throughout the year, managers and employees are encouraged to discuss ongoing performance and feedback on demonstrated behaviors. Then, at year-end, individuals are evaluated on performance (i.e., achievement of business targets) and leadership (i.e., the ability to lead change, work as part of a team and manage people). These two dimensions - performance and leadership - are plotted on a nine square grid which indicates a summary appraisal of the employee's results in the year. Consistency in the evaluation process is ensured by comparing the ratings of other employees in the same category. Calibrations within a recommended distribution curve reduce the risk of inequity and align appraisal outcomes through comparable criteria. The final results are discussed in a meeting between the manager and the employee, during which an open dialogue on areas identified for improvement contributes toward validating the employee's performance and strengthening the bond with the organization. Upon completion of this process, employees can access their evaluation form online, add details on their professional aspirations and request specific training to address identified areas of improvement through a variety of actions (such as coaching, exposure to senior management, etc.).

## Other performance evaluation systems and reward programs

GRI-G4 LA11



In addition to the PLM evaluation process, other performance evaluation processes are in place for individual performance-related compensation. For all employees working at plants in Brazil (excluding Pernambuco plant), Group companies have a variable bonus called **Profit Sharing Plan** (Participação em Lucros e Resultados, PLR), which entails participation in profit and results (normally negotiated on a yearly basis). The bonus is paid individually and takes into account collective and individual key performance indicators such as annual production, World Class Manufacturing scores, quality index, customer satisfaction and individual attendance. This system was applied in 2014 to about 19,650 employees.

FCA companies' programs dedicated to rewarding employee's merit might differ according to local requirements and needs. For example, the **Instant Reward** program is a formal recognition program to reward Comau employees for exemplary behavior and/or extraordinary achievement. The purpose is to convey a prompt and tangible message of appreciation for an individual's noteworthy conduct and to demonstrate the desirable leadership traits of demanding, sharing and rewarding success. The public celebration of this recognition reinforces the motivation, engagement and performance of our people, and displays the type of conduct expected by the Company. Slightly different instant reward plans have been implemented in Europe (Italy and France), U.S. and China; the number of rewards delivered in 2014 are respectively: 50 in Europe; 96 in U.S. and 19 in China.

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## Talent Management and Succession Planning

The Group addresses the challenges of the industry with increasing flexibility and firmly believes that success can be achieved by engaging empowered individuals in the organization and appointing the people with the right skills to key positions. **Talent management** paves the way toward these objectives by identifying the most talented employees and closely managing their development.

Highly talented individuals are identified and offered professional opportunities that allow them to gain experience in other geographic or business areas and greater exposure to senior management. The succession planning process focuses on ensuring that all key leaders develop both a short- and long-term succession plan. Through this process, attention is directed toward less experienced talented individuals who are not yet widely known within the organization, but who warrant investment as potential leaders for the future. Consequently, FCA develops effective succession plans that give priority to internal candidates. The process is conducted in a uniform manner for all countries, business units and levels of corporate hierarchy. Key individuals, selected on the basis of their professional profile (in terms of performance and leadership) and potential for growth in positions of increased responsibility, are evaluated through a process that directly involves management, ranging from their immediate supervisor to senior management representatives.

In 2014, following the evaluation of all managers and professionals, Talent Reviews were performed for Group employees across 16 professional families, supporting businesses, and functions. Since 2011, senior managers, during the Talent Review sessions and using the dedicated tool, have been able to view online the profiles of both the mid-level professionals and senior managers identified in succession plans.

In 2014, the FCA CEO, together with the members of the Group Executive Council and their supporting HR Business Partners, dedicated three days to the global Talent Reviews, focusing on succession for key roles and reviewing other aspects of the development plans.

In 2014, FCA approved a new **long term equity incentive program** covering a five year performance period, 2014-2018. The program is designed to engage and retain key leaders across FCA worldwide with the aim to strengthen key leaders' commitment to achieving the Company's long-term goals while providing a competitive reward with an ownership stake in FCA. The program will be introduced to the key leaders in early 2015.

The Group continuously monitors market trends and best practices in compensation to maintain a competitive total compensation offering to attract and retain individuals who are key to the Group's continued development.

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## People Satisfaction Surveys

FCA is committed to monitoring our employees' satisfaction, the quality of their working experience within the Company and their expectations for the future. **Satisfaction surveys** are a powerful tool that can help measure and understand employees' attitudes, opinions, motivations and sense of fulfillment. Surveys are conducted worldwide accordingly to local requirements and constraints. Outcomes of surveys are used to plan and address specific actions aimed at maximizing our employees' overall satisfaction.

During 2014, various initiatives were completed to explore employee satisfaction and well-being at selected locations. In total, people satisfaction surveys were performed involving about 59,000 employees. The primary examples are:

- FCA US employees participated in the Fortune 100 Top Workplace survey and the Michigan Top Workplace survey. In total about 4,200 employees provided their feedback.
- An engagement survey was conducted in the EMEA region, involving about 13,600 salaried employees.
- As part of the renovation process of the Melfi (Italy) plant where the Group produces the Jeep Renegade, a people satisfaction survey was conducted, involving 1,150 salaried and hourly employees.
- Magneti Marelli continued its broad program consisting of people satisfaction survey conducted worldwide, reaching more than 35,000 employees.
- 1,300 Teksid employees in Mexico participated in an Organizational Climate survey, as well as an additional 490 Teksid employees in Poland.
- At 26 Comau locations in Brazil a climate survey program was completed, with a total of approximately 800 employees engaged. Additionally, more than 100 employees from Comau India participated in a people satisfaction survey.
- During 2014, the first -ever employee engagement survey was conducted in the APAC region, reaching about 1,700 employees.
- Satisfaction surveys were completed by more than 200 employees working at National Sales Companies across Australia and China.

Outcomes derived from these initiatives are under evaluation for development of appropriate actions.

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## Training

FCA is committed to the ongoing development of its workforce through a number of activities, such as job rotation, coaching, mentoring, training and development.

Training activities were mainly aimed at:

- assisting people in their professional development and career planning
- valuing accomplishments and talents, providing contents and opportunities to learn more as a growth opportunity, regardless of current position.

The Group invested about €65.6 million in training during 2014, a reduction of €10.1 million compared with 2013. The decrease in training expenditures is due to the shift toward more efficient methods, including on-the-job training, e-learning and the transfer of skills between colleagues. There was no reduction in the number of hours of training, or the quality of the results of these activities. FCA is committed to measuring the business impact of its training. An example is the Cost Deployment of Training model adopted in 2012 within the industry-leading World Class Manufacturing Cost Deployment framework. WCM applies this method to a portion of the total training costs. By monitoring the on-the-job training and the associated generation of **process efficiencies**, FCA identified savings of €3.9 million enabled by a training cost of €1.5 million in 2014.

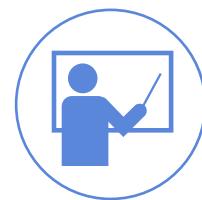
During the year, a total of 4.3 million hours of training were provided (+1.5% vs 2013) to approximately 165,000 Group employees, of whom about 131,000 were men (79%) and 34,000 women (21%).

Each employee received an average of approximately 19 hours of training. In 2014, male and female employees have benefited, on average, from a total of 18 and 22 hours of training respectively.<sup>(3)</sup>

### Employees involved in training activities

FCA worldwide

	Percentage of employees	Average of training hours
Hourly	57	15
Professional and Salaried	41	28
Managers	2	34



More than  
**€65 mn** invested  
in training

Investments in classroom, online and on-the-job training focused primarily on the Group's four core training concepts: development of job-specific know-how (81%), managerial skills (6%), cross-cultural awareness and language skills (6%) and corporate campaigns, rules, commitments (7%).

In 2014, training on aspects related to sustainability continued; the Group **sustainability course** is available on an unrestricted basis and was delivered to approximately 7,630 Group salaried employees worldwide. Sustainability is also taught during the FCA US Human Resources on-boarding process. All new hires receive an introduction to sustainability as part of the "New Hire Lunch and Learn" series. During 2014, more than 270 new hires completed this training.

<sup>(3)</sup> Averages calculated based on total workforce and not exclusively on employees enrolled in training courses.

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Regional differences and cultural aspects continue to distinguish FCA, and its diversity is clearly valued within the Company. FCA emphasizes collaboration across different organizations and regions, employing such approaches as business driven workshops. These global or region-wide initiatives are aimed at improving team building, cross-cultural awareness and adoption of common approaches to business goals and challenges. In addition, cross-cultural training (languages, cultural and practical tips) are provided to expatriates and their families.

FCA uses an e-learning platform to manage and monitor the entire Group training process worldwide. Training tools and content are accessible via the platform, which training specialists can update with new courses, modules, and other materials. In addition to providing on-line courses, the platform offers training process management, which includes management of programs, invitations to courses, evaluation questionnaires, reporting, and cost tracking. Regular meetings, dedicated web portals, virtual classrooms, and collaborative learning sessions are some of the tools used by training managers and specialists to share best practices, coordinate formal knowledge networks, and promote synergy with regard to standards, methods and training objectives.

#### Training expenditures and activities

FCA worldwide

	<b>2014</b>	2013	2012
Spending on training (€ million)	65.6 <sup>(4)</sup>	75.7	83.7
Percentage of personnel costs <sup>(5)</sup>	0.7	0.8	0.9 <sup>(6)</sup>
Hours of training provided (thousands)	4,297	4,232	4,206
Employees involved (thousands)	165	185	135

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

FCA worldwide

	<b>2014</b>	2013	2012
Employees involved (no.)	105,009	53,242	93,232
of which manager (%)	3.7	4.3	2.1

Corporate initiatives and on-the-job training sessions are designed to continually channel information to employees and keep them apprised of health, safety and environmental issues. In 2014, around 1,215,000 hours of training were delivered on health and safety topics and 450,000 hours of training were dedicated to environmental issues.

<sup>(4)</sup> Spending on training decreased compared to previous year due to an increase in training on-the-job.

<sup>(5)</sup> Personnel costs totaled €10,099 million in 2014, €9,352 million in 2013, €9,110 million in 2012.

<sup>(6)</sup> Data differs from the one reported in 2012 Sustainability Report due to adjustment to the calculation methods of personnel costs.

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## World Class Manufacturing Academy

GRI-G4 DMA, LA9, LA10



In collaboration with the United Automobile Workers, FCA has built a World Class Manufacturing Academy (WCMA) to create a high tech learning laboratory with certified trainers. Over 45 courses have been developed and are delivered to address the “Top Losses in Manufacturing across the Technical and Managerial Pillar” competencies within the WCM system. More than 9,000 people from over 30 locations in the U.S., Canada, and Mexico have trained in courses at the World Class Manufacturing Academy since its launch in January 2012.

The WCM Academy participants who implement kaizen projects after successfully completing the WCMA training course have achieved millions in savings, as tracked within the WCM Cost Deployment system at the individual plants. In 2014, the WCMA extended the scope and delivery of training through a variety of new learning opportunities. The utilization of a Mobile Unit (Academy on Wheels) has extended basic WCM concepts to team members in the various plants. A satellite Academy has been opened in Mexico to drive the creation of new problem solvers and hands-on application of WCM for five manufacturing facilities.

In September 2014 a WCM Academy was established in Italy, inside the Melfi plant. The Academy offers about 25 courses and special initiatives such as:

- The Auditors Junior course dedicated to the Management Team of the plant with the objective to develop the know how necessary to evaluate the effective application of WCM requirements in the plant
- Six Sigma Green Belt training course that certifies participants as Green Belts.

Following this first EMEA Academy experience we have decided to establish another Academy, located in Turin, characterized for Powertrain technical aspects, such as training path for Technical Manufacturing and Manufacturing Engineering roles.

An international team is currently working on the development of a “Global Academy”. The aim is defining requirements to manage the Academy worldwide according to the same approach, standards and leveraging synergies within the Regions.

### Related content

[World Class Manufacturing](#)



This content was subject to assurance by SGS Nederland B.V. (27 March 2015)

## Workforce insight<sup>(7)</sup>

Motivated and committed employees are crucial to the Group's success. Our ability to build a sustainable enterprise that competes in the global marketplace is dependent upon the Group's single most important resource: **our people**. FCA strives to provide its employees with growth opportunities that continuously foster international collaboration and capitalize on diverse experience, background and skill. FCA's approach to human capital management is based on structured processes applied globally across all regions to ensure consistent governance and management of employee development.

The Human Resource (HR) function is responsible for supporting business leaders in all areas of employee management. Robust HR processes are intended to deal with all phases of the employee career life cycle, from recruiting to retirement. The recruiting and hiring processes are supported worldwide by modern recruiting tools aimed at finding the best talent - both internal and external - through the use of job posting systems, career websites, recruiting platforms, and in certain situations specialized service providers.

FCA's hiring tools, methods and specialists adhere to the principles of an Equal Opportunity Employer (EEO) policy, which emphasizes FCA's commitment to respecting the diversity of job applicants during recruiting and hiring processes. When necessary, FCA's practices are customized according to the local needs, except when prescribed by law. The EEO policy was updated in the U.S. during 2014 to include protected veterans, the disabled and gender identity. Results-oriented programs are designed to monitor and analyze recruiting practices and are used as necessary to promote consistent application of the policy toward external recruiting services. Additionally, HR supports investigations and takes appropriate corrective actions where warranted.

The evaluation process for assessing employee leadership and performance is vital in the development of our workforce worldwide. Our [Performance and Leadership Management \(PLM\)](#) process applies to 100% of managers and professionals, plus a portion of salaried staff, and is conducted annually. Employee performance data is stored on dedicated information systems and accessible on a restricted basis to HR representatives, managers and employees

To support the management of employees along their career path, the Company organizes classroom and web-based training initiatives for the conveyance and reinforcement of both managerial and technical skills. These activities support the development of a Group-wide culture of embracing change, driving accountability and fostering empowerment. Training activities are monitored and measured on an ongoing basis, with training program effectiveness and efficiency evaluated using a set of key performance indicators. Effectiveness is generally measured on the basis of participant satisfaction, improvement in knowledge and skills, and, when relevant, applicability of concepts learned to the participant's work process. [Training efficiency](#) is monitored by comparing training hours by both type and category and examining expenditure levels against international best practices.

FCA recognizes it is important to continually measure and understand employee attitude, opinion, [motivation and satisfaction](#). Internal departments and their [HR colleagues organize events](#) such as town halls, team-building events, climate surveys and employee suggestion programs to maintain an open dialogue with employees. All these initiatives are aimed at increasing the level of employee participation in Company processes and programs.

<sup>(7)</sup> Unless otherwise specified, workforce data is calculated at year-end.

*This content was subject to assurance by SGS Nederland B.V. (27 March 2015)*

To maintain its appeal as an employer throughout the final stages of an employee's career, FCA supports the transition from employment to retirement. For example, detailed pension estimator tools, savings plan reinvestment initiatives and retirement seminars, webinars and retirement counseling are made available in certain countries. In FCA US, the HR Retirement and Savings group in partnership with external financial institutions and the Social Security Administration offered a five-part workshop series designed to improve employee financial wellness. Over 2,000 employees participated in 2014 and found the information to be very beneficial.

All employee data is monitored and reported on a monthly basis for reporting purposes; ICT systems support this activity. The Group HR Reporting and Projects team is responsible for monthly data collection and trend monitoring through dedicated HR data systems, with support provided by local HR representatives.

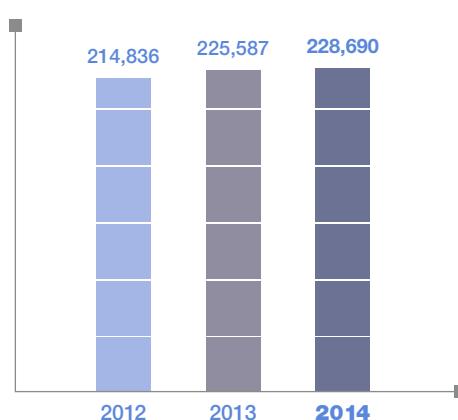
FCA Group carried out activities in the automotive sector through companies located in approximately 40 countries and sold its products or services to customers in more than 150 countries. Customer recognition of brand value has been demonstrated by increasing sales volumes with shipments up 6% vs 2013. FCA employees support operations throughout the world.

FCA activities are organized through seven reportable segments: four regional mass-market vehicle segments (NAFTA, LATAM, APAC and EMEA), Ferrari and Maserati, our two global luxury brand segments, and a global Components segment. These business structures, together with the export challenge, are crucial choices for the Group's solidity. The steady growth in FCA's production and sales volumes has fostered subsequent employment and economic opportunities in the countries in which the Group operates. Group employees, as of 31 December 2014, were 228,690, a 1.4% increase over year-end 2013.



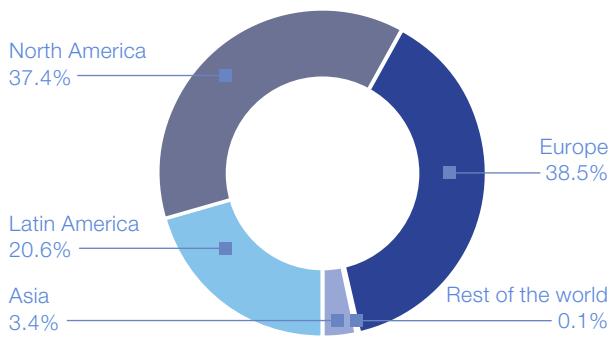
About **32,200**  
new employment  
opportunities

**Employees trend by year**  
FCA worldwide (no.)

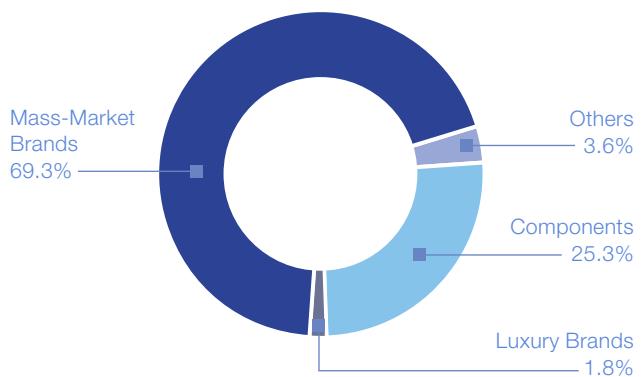


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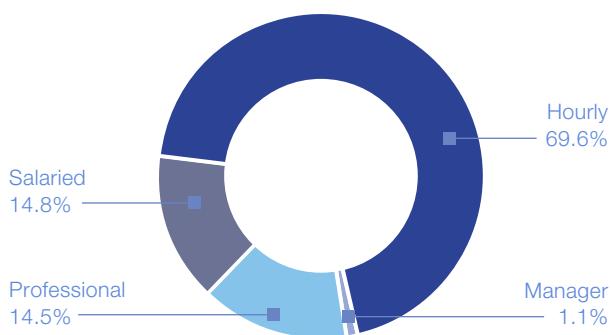
**Employees by geographic area**  
FCA worldwide



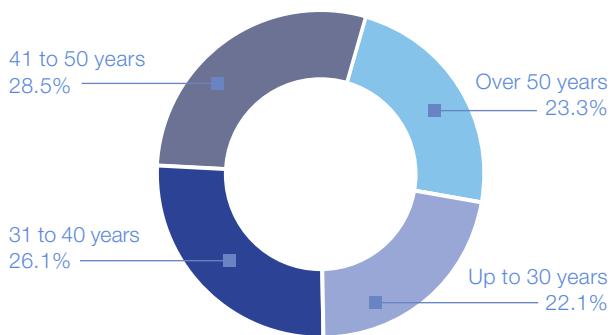
**Employees by operating segment**  
FCA worldwide



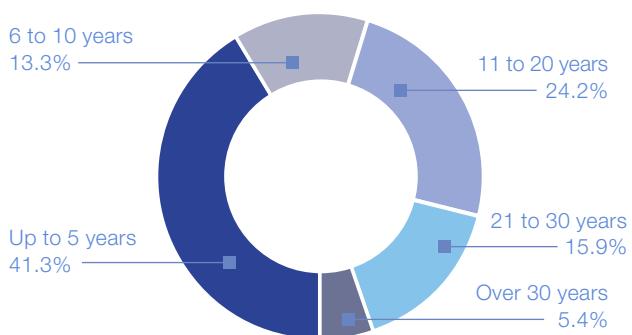
**Employees by category**  
FCA worldwide



**Employees by age**  
FCA worldwide



**Employees by length of service**  
FCA worldwide



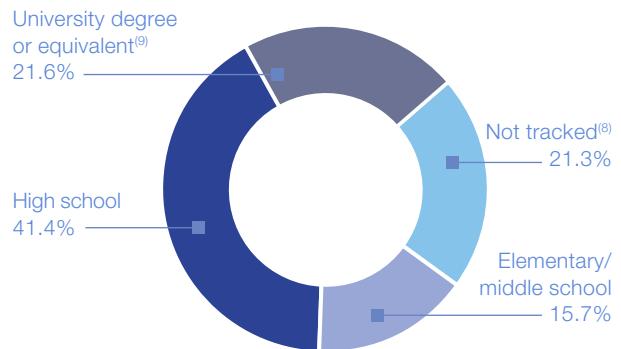
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Worldwide, the highest concentration of Group employees remained in the 41-50 age group. Approximately 41% of the workforce has been employed for five years or less. In recent years, FCA has experienced a slight aging of the Group's workforce; there was a steady increase in the number of employees in the over-50 category compared with 2013, while the distribution of employees in other age categories was stable or minor in variation. No differences were registered between genders. To respond to aging trends observed in the working population, the Company develops specific initiatives in areas that include, workstation ergonomics, career transition support, and retirement programs.

With respect to education level, there was a continuous increase for both men and women having higher levels of education, with 21.6% of employees holding a university degree or equivalent qualification. During 2014, efforts continued toward improving educational reporting for all employees; doing so for hourly employees is not yet possible.

In 2014, about 96% of Group employees were covered by an unlimited-term employment contract and about 98% were employed full time. Fixed-term contracts were kept to a minimum. In 2014, about 5,800 temporary contracts were converted into unlimited-term contracts (of which approx. 27% were female employees). A total of 2.1% of the Group workforce is employed part-time, of which about 57% are women.

**Employees by level of education**  
FCA worldwide



**Employees by contract type**  
FCA worldwide (%)

	2014	2013
Unlimited-term contract	95.8	95.7
Fixed-term contract	4.2	4.3

**5,800** temporary contracts converted into unlimited-term



**Employees by contract and employment type**  
FCA worldwide (no.)

2014	<b>Total</b>	Unlimited-term		Fixed-term	
		Full-time	Part-time	Full-time	Part-time
Europe	88,061	84,649	1,019	2,366	27
North America	85,521	80,306	80	1,508	3,627
Latin America	47,232	46,569	3	657	3
Asia	7,701	6,278	8	1,414	1
Rest of world	175	175	-	-	-
<b>Total</b>	<b>228,690</b>	<b>217,977</b>	<b>1,110</b>	<b>5,945</b>	<b>3,658</b>

<sup>(8)</sup> Cases for which it is not possible to report level of education as the data is not always tracked in Group information systems, particularly with reference to hourly employees.

<sup>(9)</sup> Calculation subject to approximation resulting from the comparison of academic qualifications among different countries.

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## Turnover

In 2014 a total of 32,198 people were hired, 44.6% of whom were in North America, which continued to be the area particularly benefiting from increased production volumes. Employees who left FCA totaled 27,912. Changes in the scope of operations led to a net decrease of 1,183 employees.

**Employee turnover**  
FCA worldwide (no.)

Employees at 31 Dec 2013	225,587
New Hires	32,198
Departures	(27,912)
Δ scope of operations	(1,183)
<b>Employees at 31 Dec 2014</b>	<b>228,690</b>

## Fair Compensation

In its commitment to ensure an inclusive work environment and equal opportunities for all employees, the Group adopts a progressive total compensation system based on **equitable and fair** criteria.

At the heart of the Company's compensation philosophy lies the concept of meritocracy, which acknowledges the value of a high performance culture and the importance of a market-driven approach.

To support these elements of **meritocracy**, the Company has defined a compensation system that comprises a number of different 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.

Base salary, benefits and long-term incentives are determined by market-driven benchmarks, therefore ensuring fair and objective treatment for all employees in the different markets around the world. The specific criteria for adjustments focus on closing competitive gaps 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 performance and leadership management program that is consistently deployed throughout the entire organization. The same metrics and methodology are applied in this assessment of annual performance to all eligible employees worldwide. Additionally, the Group employs a formal process to monitor application of its core equity and fairness principle to compensation levels, annual salary reviews and promotions. In particular, these reviews are based on standard criteria, and do not allow manager discretion of those receiving compensation actions.

Combined, all of these actions are designed to ensure the Company's total compensation system, in line with all other internal processes related to people management, promotes equal opportunity.

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## Local Minimum Wage

GRI-G4 DMA, EC5



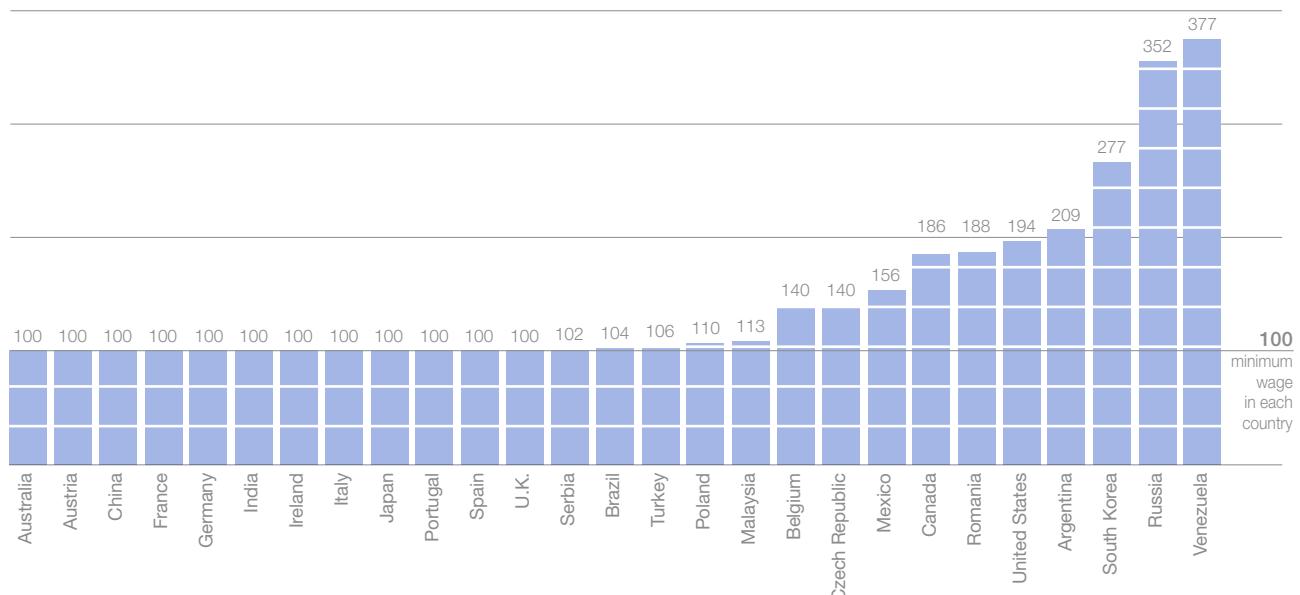
In many countries, minimum wage levels are established by law and, in some cases there are also variations based on regional, state or other criteria (e.g., in the U.K., France, Spain, the U.S. and Brazil).

Where no specific law exists, a minimum wage is often established by collective bargaining agreements between employer associations and union representatives. This is the case in Italy, Germany and Belgium, for example, where pay and employment conditions are negotiated at the regional or national level, with the possibility of establishing higher wage levels at the company level. It is important to note that minimum wage levels are also established on the basis of specific economic, social and political circumstances and, therefore, do not allow for cross-border comparisons.

In order to evaluate the adequacy of entry-level salaries in each country, the Group conducted an analysis which shows that in all countries monitored,<sup>(10)</sup> entry-level salaries<sup>(11)</sup> are at least equal to, if not higher than, the statutory minimum or applicable non-company collective labor agreement.

Workplace equality within the Group is also seen in the comparison between minimum entry-level wages by gender. Considering the 27 countries included in the survey sample, minimum wage levels were found to be identical between men and women.

**Comparison between entry-level salary and minimum wage**  
FCA worldwide (minimum wage = 100)



<sup>(10)</sup> The survey of 27 countries covered about 97% of the Group's total workforce.

<sup>(11)</sup> In accordance with the GRI-G4 Guidelines, 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. Figures reported are as of 31 December 2014.

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## Benefits

GRI-G4 DMA, EC3, LA2



The Group's compensation and benefits packages are aligned with international best practices with the goal of fair and attractive economic rewards for all employees. FCA offers a **broad range of benefits** depending on an individual's grade level, country of employment and local policies. In December 2014, FCA conducted its annual analysis of various company compensation and benefits (on a sample of about 98% of the workforce). The findings are provided in the following table.

Those findings show that more than 67% of employees are eligible for a pension plan and, during 2014 around 75% of these joined this type of plan. This figure represents 50% of the total population mapped.

**Supplementary pension plans** provided by the Group fall into two categories:

- defined contribution pension plans, for which contributions (by employees, the company or both) are defined at the outset, and benefits depend on the total sums allocated to the fund supporting the plan and the financial returns of the fund itself
- defined benefit pension plans, in which the future benefits paid out to employees are defined at the outset, and contributions may vary over time to guarantee payment of the pre-defined benefits.

Most existing pension plans at Group companies are defined contribution plans.

Company-provided health plans are also available for FCA employees, and about 61.5% of the surveyed population was found to have joined such a plan. Child care services are also in place at some locations to help employees achieve work-life effectiveness by responding to their needs.

One recent example is the kindergarten "AUTI/Æ" inaugurated in October 2014 inside the Kragujevac-based plant (Serbia). After reaching an agreement with the local government, the company refurbished, adapted and equipped the premises to serve as part of the Kragujevac preschool institution's system. The facility provides care for approximately 150 children of the employees, aged 3 - 7 years old.

The Group also promotes a healthy lifestyle through comprehensive wellness programs and facilitates with access to dedicated sports facilities.

### Principal employee benefits

FCA worldwide	% of employees entitled to benefit
Pension plans	<b>66.6</b>
Company-provided health plans	<b>77.5</b>
Life insurance	<b>61.2</b>
Financial support for disability/invalidity	<b>48.8</b>
Employee cafeteria or lunch vouchers	<b>61.3</b>
Child care services <sup>(12)</sup>	<b>29.9</b>
Wellness and nutrition programs <sup>(13)</sup>	<b>61.9</b>
Gym/fitness services <sup>(14)</sup>	<b>44.2</b>
Others <sup>(15)</sup>	<b>30.9</b>

<sup>(12)</sup> Includes kindergarten, free gymnasium access for children, assistance with homework, summer camps/holidays, other services dedicated to child care.

<sup>(13)</sup> Includes nutrition coaching, smoking cessation training, medical check-ups, medical screening, other wellness programs.

<sup>(14)</sup> Includes free gymnasium access, gym/fitness courses and other sports initiatives.

<sup>(15)</sup> Includes benefits such as company cars, housing, interest free loans.

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## Diversity and Equal Opportunity

Inclusion at FCA inspires a company culture where every individual is encouraged to reach his or her full potential by leveraging and celebrating uniqueness. An organization differentiated by gender, ethnicity and culture is considered a distinct advantage for business competitiveness. The Group seeks to foster a work environment in which employees feel respected, valued, and included. FCA is committed to attracting a diverse, highly motivated and innovative global workforce.

### Equal Opportunity Employer

GRI-G4 DMA, LA12



FCA rejects discrimination, particularly discrimination based on race, gender, sexual orientation, physical and health conditions, disability, age, nationality, religion or personal beliefs.

The Code of Conduct formalizes the Group's commitment to offer all employees equal opportunities in every aspect of the employment relationship, including recruitment, training, compensation, promotion, transfer and departure.

Due to the Group's global presence, there may be significant differences in legislation among countries where the Group is present and different levels of employee awareness, concern and capability in applying the principles of non-discrimination. The Company's Code of Conduct and specific guidelines aim to ensure the same standards are applied worldwide. Company standards, as stated in the Code of Conduct, have precedence in jurisdictions where legislation is less stringent.

Enabling career opportunity and advancement that is free from discrimination and harassment, and respecting and enhancing diversity are commitments highlighted in the Group Human Capital Management Guidelines and Human Rights Guidelines. At FCA US, the Discrimination and Harassment Prevention Policy addresses these same objectives.

In its commitment to ensure an inclusive work environment and equal opportunities for all employees, FCA adopts a progressive total compensation system based on equitable and fair criteria.

At the heart of the Company's compensation philosophy lies the concept of meritocracy, which acknowledges the value of a high performance culture and the importance of a market-driven approach.

Additionally, the Group employs a formal process to monitor application of its core equity and fairness principles to compensation levels, annual salary reviews and promotions. In particular, these reviews are based on standard criteria, and do not allow manager discretion when establishing compensation actions. Combined, all of these actions are designed to ensure that the Company's total compensation system is in line with all other internal processes related to people management and promotes equal opportunity.

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## Workforce Inclusion

GRI-G4 DMA, LA12



The contribution of all employees, regardless of gender is essential for the long-term success of the Company as it creates a wider, more diverse pool of talent and improves the Company's understanding of its customer base. Ensuring gender equal rights and opportunities in the workplace is a fundamental principle of FCA's human resources management. This commitment is in line with the UN Gender Equality Seal (GES) definition of gender equality.

Female managers within FCA represent more than 13% of managers, while female representation over the entire workforce reaches 20%. In general, women tend to represent a lower percentage of employees across industrial and manufacturing sectors worldwide.



**20%** of workforce  
is represented  
by women

### Women employees by geographic area

FCA worldwide (%)

	2014	2013	2012
Europe	21.7	21.6	21.6
North America	23.7	22.4	22.0
Latin America	9.7	9.6	8.8
Asia	28.4	29.8	29.7
Rest of world	29.7	27.2	27.5
<b>Total</b>	<b>20.2</b>	<b>19.6</b>	<b>19.2</b>

### Women employees by category

FCA worldwide (%)

	2014	2013	2012
Hourly	18.9	18.0	17.4
Salaried	28.5	28.9	29.1
Professional	18.5	18.3	18.2
Manager	13.1	13.1	13.1

Several initiatives are in place across the Group to foster the importance of a diverse and inclusive workforce among its employees.

Among these, the FCA US Diversity Council was established to support the development of a Diversity Work Stream strategy. The Council has implemented a total of 17 Work Stream initiatives through 2014. Diversity in North America is also represented by the longstanding Employee Resource Groups (ERG). FCA US ERGs (African American Network, Latins in Connection Network, Asian Network, First Nations Network, Gay and Lesbian Alliance, and Women's Forum) provide multicultural learning opportunities, mentoring and networking for employees, and support for many community outreach initiatives and charitable events. Participation in ERG-sponsored activities is encouraged and open to all salaried employees from all facilities with the aim of maximizing social and cultural exchanges.

Gay and Lesbian Alliance, GALA, promotes a positive awareness of Lesbian, Gay, Bisexual and Transgender (LGBT) people and ensures that the Company's products and services are desired by and tailored to diverse people. In 2014, a report released by the Human Rights Campaign (HRC) named FCA US as one the leading employers who achieved a perfect score on HRC's 2015 Corporate Equality Index (CEI). The annual CEI report rates employers on their LGBT workplace policies and benefits. A perfect score indicates a company provides full parity for domestic partner benefits, not only in basic medical coverage, but in dependent care, retirement and other benefits that affect the financial and medical well-being of families. Until recent years, FCA was the only automaker to consistently achieve a perfect CEI rating.

In 2014, FCA US continued its Veterans internship program to facilitate the integration of veterans from the U.S. armed forces into the Company's engineering, product design, supply chain, and manufacturing departments. A total of 40 interns are working in the departments listed above. During 2014, the first group of interns graduated and two interns have accepted employment with the Company.

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During 2014, in the EMEA region, the Company demonstrated its commitment toward a diverse workforce composition, in that 27% of its new hires were women, of this group 17% to 21% were employed in fields that in the automotive industry typically have a lower ratio of women to men, such as Product Development and Manufacturing.

In Brazil, FCA Brazil continued to be a partner of Minas Pela Paz (MPP), a non governmental organization that works toward building a culture of peace in society through social inclusion, with an emphasis on transforming the lives of socially vulnerable people, including former prison inmates.

Employee engagement and inclusion is of prime importance in every Group region. Because of this many other initiatives have been taken to connect employees and their families with the Company, taking care of culture aspects and different needs by gender. Other examples are the initiatives taken in India at Fiat India Automobiles Private Limited (FIAPL), such as the Medical Awareness Seminars for the spouses of operators and special "Little Edison Workshops" conducted to spread awareness among employee's children about the judicious use of electricity.

## Employee Representative Involvement

GRI-G4 DMA, LA8, LA12



One of the shared objectives of FCA and employee representatives is promoting equal opportunities for men and women within our organization. This issue, which forms an important part of the social dialogue, is addressed in each country on the basis of local regulations and practice.

In 2014 Italian Group companies with more than 100 employees presented the Report on representation of men and women in the workplace for the period 2012-2013 to trade union representatives and the Equal Opportunities Councilors of the relevant Regional Authority (in accordance with Article 46 of Italian Legislative Decree 198/2006, as amended). The report contains information on training initiatives, compensation levels, promotions, turnover and other relevant data.

The company-specific labor agreement (CCSL) provides for the establishment of an Equal Opportunities Committee at all Group companies operating in Italy. The objective of these committees is to monitor employment conditions for women, including examination of the biannual report, and to assess the feasibility of proposed initiatives, as well as promoting their implementation and acting to ensure application of the principles of equal opportunity.

In France, gender equality in the workplace and measures for effective implementation are a mandatory part of the collective bargaining process. Where a specific agreement is not reached with trade unions, companies are required to present a unilateral action plan. In 2014, Automotive Lighting Rear Lamps France (a subsidiary of Magneti Marelli) signed an agreement with unions which established specific objectives for equal treatment of men and women in areas such as hiring, training, promotion and work-life balance. Also, in accordance with French law, each year Group companies with more than 50 employees present a report to the trade unions on employment conditions and training for men and women.

In all European countries, and countries outside Europe where works councils or similar representative bodies exist, equal opportunity issues form part of the information and consultation process.

## Trade union relations on health and safety

Employee health and safety is a central theme in the dialogue with employee representatives.

In 2014, a survey covering more than 97.5% of FCA employees<sup>(16)</sup> worldwide showed that over 82% are represented on issues such as health and safety through organized bodies that monitor health and safety programs and provide advice where needed.

<sup>(16)</sup> Including Sevel Italia.

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## National and Ethnic Minority Groups

GRI-G4 LA12



In 2014, FCA conducted surveys to determine employee affiliation to a nationality or ethnic minority group. Other diversity indicators that may be sensitive in nature or subject to data protection legislation were not included in the study. The first study related to **nationality** involved all Group companies, and the outcome revealed that 2% of employees (of whom 23% are women) have a nationality that differs from that of the country where they work.

### Employees by principal ethnic origin FCA North America (%)

Caucasian	57.4
African American	20.1
Hispanic	19.5
American Indian	0.2
Other	2.8

A second survey examined the **ethnic origin**<sup>(17)</sup> of employees based in the United States, Canada and Mexico (approx.

37.4% of the total Group workforce) and found that 42.6% of the employees surveyed (of which 44% are women) reported belonging to one of the identified ethnic minority groups.

The minority group with the largest representation in 2014 is African American workers, who represent approximately 20% of responding employees.

The Group's efforts to support and encourage a diverse composition in its workforce have been recognized for instance, by FCA US being named in the Top 12 of the 50 best employers for Hispanic women for the 11<sup>th</sup> time. This also validates the strategic value of our commitment to diversity and inclusion, and contributes to the Company's growing reputation as an employer of choice for diverse talent.

## Employees with Disabilities

GRI-G4 DMA, LA12



FCA is committed to providing suitable **employment opportunities** for individuals with **disabilities**. During 2014, FCA mapped more than 63% of employees in 37 countries as part of its disabled employment monitoring. In several countries, including Austria, Brazil, China, France, Germany, Italy, Spain and Venezuela, legislation requires that companies employ a minimum percentage of disabled workers. These requirements may only apply to companies or sites with headcount over a certain threshold.

In some countries, employers may, as an alternative, elect to contribute to specific funds for the disabled (e.g., Poland), or reach agreement with the relevant authorities to hire disabled workers gradually (e.g., Italy). Recent economic difficulties led to a suspension of minimum employment quotas in some countries such as Italy, where some FCA companies activated temporary lay-off benefit schemes or collective redundancy schemes ("mobilità") to manage necessary production stoppages. In certain countries, regulations allow for renegotiation of the timing of contributions to funds for the disabled (e.g., Germany and Spain) or hiring of disabled workers (Italy). In the 15 countries where hiring quotas exist (out of 37 mapped), disabled workers accounted for an average of 3% of Group employees (0.6% women and 2.4% men). The actual percentage varies country-by-country, with statutory quotas based on either a fixed percentage (from 1.6% to 7% of total headcount) or a variable formula. Worldwide, the Group's highest percentage of disabled workers is in Venezuela (4.8%).

<sup>(17)</sup> The analysis was conducted with reference to the six ethnic groups with the greatest representation in the North American population (Caucasian, African American, American Indian, Asian, Hispanic, Pacific Islander).

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The survey also revealed that women accounted for 17.4% of disabled employees, in line with the total representation of women for the companies mapped (17.7%).

In many other countries (including Argentina, Australia, Belgium, Canada, India, Mexico, United Kingdom and United States), there are no statutory quotas for hiring disabled workers. However, other mechanisms exist to support the integration of disabled workers. This may include for example, special consideration for working hours and working environment, and benefits or tax incentives for companies employing disabled workers. In countries where employees and applicants are not legally required to disclose a disability, there are objective limitations to reporting the number of disabled workers. This information is considered confidential and often subject to data protection legislation. Consequently, U.S. mapping is partially reported and Canada mapping was not included in the survey.

Even where no specific regulations exist, however, Group companies are proactive in ensuring adequate accessibility to facilities and adaptation of workstations for the disabled.

The data provided does not include individuals who have been assessed by a medical professional and/or administrative authority as only being fit to perform specific tasks. In such cases, the Company will assign the worker to an activity appropriate to their specific condition. **Return to Work Specialists** at FCA plants in the U.S. and Canada serve as an excellent example of how the Company handles employees suffering from diminished work capacity. Within the bounds of the legal and contractual requirements, these specialists evaluate safe and suitable work opportunities for the physically impaired individuals including, if necessary, assignment to a different activity. For individuals whose conditions make continued employment impossible, FCA frequently works with state or local authorities to retrain the individuals so they can find work elsewhere.

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## Work-life Balance

FCA recognizes that helping employees to better balance their personal life with work is a challenge that must be addressed so employees may be fulfilled and satisfied in all aspects of their lives. FCA offers several initiatives and arrangements related to employee well-being and satisfaction.

In addition, the Group supports equitable choices for maternity, paternity and adoption benefits which encourage employees to balance parental responsibilities with their careers.

### Flexible Working Arrangements



The Group supports the professional and personal goals of its employees through flexible work arrangements where feasible. These arrangements include flextime (starting/quitting times), job sharing, part-time or reduced hours, telecommuting, compressed workweek/summer hours, parental leave and other leaves. Effective company support to employees in managing this balance means working within local requirements and constraints, such as job tasks, workplace needs, and available services.

Depending on the company, **flexible arrangements** may be formal agreements approved by the Human Resources department or the result of an informal agreement with the local manager. These flexible work arrangements are subject to considerations such as staffing needs, job responsibilities, business climate, mutual agreement or other factors.

An assessment of Group companies revealed that in 2014, roughly 14% of employees were covered by one or more of the available flexible working arrangements. Specifically, 2.5% of the total workforce took parental leave related to child birth and care, while approximately 7.1% participated in other types of leaves;<sup>(18)</sup> 2.1% are employed part-time; and 1.9% were covered by other types of work schedule flexibility (e.g., flexible working hours, working from home, job sharing).

The actual figure may be considerably higher, as this percentage does not include participation resulting from an informal agreement with local managers, and consequently is not formalized or tracked. In FCA US an employee and their manager can agree on a schedule and other conditions related to **telecommuting**. This arrangement is supported through the *Telecommuting program* that was enhanced in 2015. Employees are encouraged to participate in a flexible work environment where they are able to perform the responsibilities of their position and maximize their performance at a location other than the company's offices.

These flexible offerings are part of a corporate direction that leads to a healthier, more motivated and productive workforce. FCA Italy has helped employees balance the day-to-day struggle between work and household tasks by providing Turin area employees and families the opportunity to purchase a wide range of goods (clothing, accessories, cosmetic articles, etc.) at special discounted prices through the Mirafiori Club. This convenient outlet is accessible to 27,000 employees. Another employee work-life balance tool assists employees with meal preparation and their busy schedules. At FCA Italy, 16,000 employees can balance their home life by purchasing fresh prepared dinners in a specialized TakeAway shop before leaving the office. FCA US headquarters offers convenient foods like sandwiches and healthy snacks that can be purchased for busy families or students on the go. These services help employees manage their lives and maintain balance.

During 2014 the Group continued to expand the locations offering flexible working programs with the objective of helping families with child care. Additionally employees have access to resource referral programs that can assist with child care, summer camps, eldercare, education and family issues.

<sup>(18)</sup> Other types of leaves are those not related to child birth or child care.

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## Return to Work after Parental Leave

GRI-G4 DMA, LA3



FCA provides parental leaves to all employees in compliance with local regulations (labor law requirements may vary from country to country). In some instances, the Group actually exceeds local requirements with dedicated policies (e.g., Canada, Mexico, Serbia and Denmark).

In an effort to be regarded as an employer of choice and to be attractive for both men and women returning from parental leave, a variety of regional programs that support family management are available.

During 2014, about 5,700 Group employees took at least one type of parental leave, representing approximately 4.7% of the female workforce and 1.9% of the male workforce.

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.

The Group conducted a retention analysis representing 100% of employees. The study focused on the percentage of employees who return to work after parental leave, and who remain employed 12 months after their return. In 2014, the rate of women who returned to work was approximately 49%, while the rate for men was 43%. Among those who returned to work, about 57% of women were still employed by the Company 12 months later, while for men the percentage was approximately 75%.

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## Occupational Health and Safety

In every country and area of activity, FCA gives paramount importance to achieving the highest standards of **workplace health and safety**, which it considers essential to the success of the organization.

The principal pillars of FCA's commitment to health and safety are:

- a continuous reduction in accidents, in terms of both **severity** and **frequency**
- an alignment of all FCA plants and facilities, new and existing, to the highest international standards (**OHSAS18001**)
- the promotion of a culture of health and **well-being** for all employees.

## Health and Safety Management

As a responsible employer, FCA considers a safe and healthy working environment a basic right for all employees. Operating according to the highest international standards requires an integrated approach to the management of health and safety in our plants and offices. The commitment in this area not only covers employees, but also suppliers, service providers and local communities.

FCA is active in a number of areas, including:

- definition of standardized procedures for identifying and assessing risk
- application of robust safety and ergonomic standards in plant and equipment design
- promotion of safe behavior through training initiatives and awareness campaigns
- promotion of a healthy lifestyle.

FCA's commitment is formally set out in the **Health and Safety Guidelines**, which are regularly updated to reflect new legal and regulatory requirements, insights on best practice from sector experts and feedback from internal and external stakeholders. This ensures that the Guidelines remain a current and relevant reference for all health and safety practices within the Group.

The Group's integrated and systematic approach to the management of health and safety issues enables effective prevention and, when necessary, protection of all workers and, indirectly, their families and local communities.

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The main pillars of that approach are:

- management of risk through continuous assessment of critical areas and adoption of preventive measures for all main activities
- implementation of a management system that conforms with the requirements of the OHSAS 18001 international standard
- continuous improvement of working conditions through comprehensive risk analysis and assessment, formulation and implementation of corrective and preventive action plans, and continuous monitoring of health and safety activities and risk factors that may arise from the introduction of new substances, materials or technologies (e.g., nanomaterials, hazardous substances)
- monitoring and analysis of the root causes of non-conformance, applying the tools of the World Class Manufacturing Safety pillar to prevent recurrences
- active involvement of all employees in the improvement process by providing comprehensive information and targeted training
- promotion of safety and prevention-centered conduct by employees
- involvement of suppliers, dealers and other business partners in improving health and safety in the workplace and in their respective areas of activity.

Health and safety activities are managed and coordinated by both internal and third-party specialists both at the Group level and at individual Group sites.

At the Group level, **Environment, Health and Safety (EHS)** managers are responsible for establishing **Health and Safety Guidelines**, procedures and standards and for supporting local EHS officers in implementing Health and Safety policies and guidelines. In addition, they are responsible for monitoring national and local legislation, as well as applicable health and safety rules and regulations. They are also involved in monitoring compliance with the Health and Safety Guidelines and with the implementation of prevention programs. Local and regional coordination is provided through regular EHS meetings, during which key performance indicators are evaluated and areas for improvement identified.

The health and safety organization uses an EHS software platform, which is updated on a continuous basis, to monitor performance, as well as for sharing best practices and ideas.

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## Pursuing the Highest Standards

Continuous investment and commitment of energy and resources is necessary to ensure the best working conditions at every FCA plant worldwide.

Through its **Occupational Health and Safety Management System (OHSMS)**, which is OHSAS 18001 certified, FCA is committed to applying the same high safety standards worldwide - including in those countries where regulations are less stringent.

FCA has committed that all of its plants operating worldwide in 2020 will be OHSAS 18001 certified, a goal which was started with an intermediate target reached in 2014 of having OHSAS 18001 certification for all of the plants that were operating worldwide in 2012.

### Spending on Occupational Health and Safety

FCA worldwide

	2014	2013	2012
Spending on Occupational Health and Safety <sup>(19)</sup> (€ million)	230	194	168
Percentage of personnel costs <sup>(20)</sup> (%)	2.3	2.1	1.8 <sup>(21)</sup>

### OHSAS 18001 certifications

FCA worldwide

	2014	2013	2012
Certified plants (no.)	134	110	107
No. employees at certified plants (thousands)	170	147	123



**134 plants**  
certified  
OHSAS 18001



**€230 mn**  
for safeguarding  
Health and Safety

<sup>(19)</sup> Includes amounts spent on improvements in safety and workplace environment (improvements to facilities, safety and protective equipment, health and safety inspections) and employee health care costs.

<sup>(20)</sup> Personnel costs totaled €10.1 billion in 2014, €9.4 billion in 2013, €9.1 billion in 2012.

<sup>(21)</sup> Differs from figures reported in 2012 Sustainability Report due to adjustments to the method for calculating personnel costs.

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## Full Engagement in Prevention

Effective implementation of health and safety standards at FCA facilities is made possible through a combination of preventive measures and the collaboration of all employees who, regardless of their role or responsibilities, have a duty to contribute to the dissemination and maintenance of the highest possible standards. Employees are involved in the process through training and initiatives designed to increase safety awareness, together with a comprehensive system for gathering feedback and suggestions.

During 2014, employees submitted more than 2 million **suggestions**, of which 260,000 were ideas on how to improve health and safety conditions. The best ideas were put into practice and recognition was given to the employees who proposed them. The year-over-year increase of 74.5% in the total number of employee suggestions demonstrates the significant level of participation and commitment to the health and safety throughout the organization. This level of involvement has helped to develop a culture of proactiveness and prevention. Employees' best initiatives are established as best practice across multiple facilities over time and incorporated in FCA's **Occupational Health and Safety Management System (OHSMS)**.

During the year, more than 19,000 **audits** were conducted (+268% versus 2013), including 165 external audits (+35% versus 2013), covering a total of about 170,000 employees. This demonstrates the robustness of the OHSMS and full integration of the principles of World Class Manufacturing.

## World Class Manufacturing Safety Pillar

One of the objectives of the **World Class Manufacturing Safety pillar** is to contribute to continuous improvements in the workplace environment and the progressive reduction of all objective and behavioral risks that could result in accidents, injuries and occupational diseases. The basic principle of this pillar is that these objectives can only be achieved by establishing a strong safety culture throughout the entire organization.

Essential to achievement of the high standards set out in the Safety pillar are strong leadership - including the involvement of management in setting clear, measurable objectives - and the motivation and active participation of all employees. A crucial aspect is the training and education of all workers as a part of the objectives set in the **Skills Development pillar**.

The Safety pillar also extends to suppliers and other business partners and entities along the value chain.

The pillar calls for the establishment of specific targets for each plant and clear, transparent communication of the indicators used to monitor achievement of those targets.

Key elements of the Safety pillar are:

- elimination or significant reduction in the risk of accidents, injuries and occupational disease
- development of a culture of health and safety in the workplace
- continuous improvements in workstation ergonomics, including redesign based on employee feedback
- development of know-how and expertise in occupational health and safety
- creation of intrinsically safe workstations and equipment starting from the design phase
- elimination or minimization of environmental pollution in each production area
- promotion of safe practices and behavior by employees, both in the workplace and outside.

The Safety pillar is oriented toward the active involvement of employees whose own health and safety is subject to the activities that they carry out on a daily basis.



**260,000 ideas**  
to improve  
health and safety  
conditions

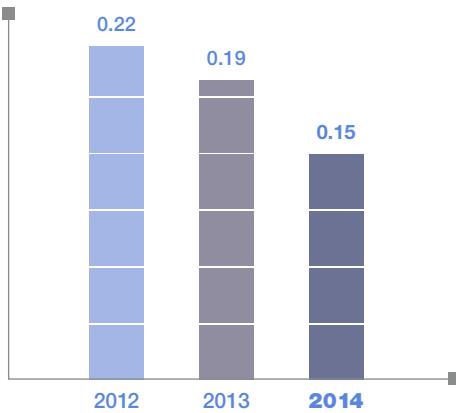
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## Safety First

Through application of the tools and methodologies provided by the OHSMS and the WCM Safety pillar, together with the active involvement of employees, development of specialized know-how and targeted investment, FCA has significantly reduced the **frequency** and **severity** of work-related injuries.

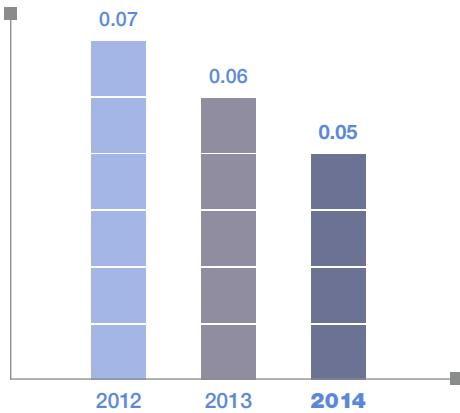
**Frequency Rate<sup>(22)</sup>**

FCA worldwide  
(accidents per 100,000 hours worked)



**Severity Rate<sup>(23)</sup>**

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



All work-related injuries are analyzed in order to determine the contributing causes and take appropriate measures to avoid recurrence. Injuries are categorized according to frequency, severity and gender of the employee involved. Additional statistics are also kept by site and production line/process.

In 2014, the primary indicators improved for the eighth consecutive year. The **Frequency Rate** was down 21% over the prior year to 0.15 accidents per 100,000 hours worked and the **Severity Rate** was down by 16.7% to 0.05 days of absence per 1,000 hours worked. Since 2012, injury data has also been monitored by gender, but no significant gender-related trend has been observed (see Appendix for additional information).

In Italy, investment in health and safety, combined with other measures, has resulted in a progressive reduction in the level of risk attributed to FCA plants by INAIL, the national accident and disability insurance agency. As a result, the Group was eligible for “good performer” premium discounts, which enabled savings of approximately €17.5 million in 2011, €16 million in 2012, €14.6 million in 2013 and €18.4 million in 2014.



**€67 mn**  
saved in 2011-2014

<sup>(22)</sup> The Frequency Rate is the ratio of the number of injuries reported (resulting in more than three days of absence) to the number of hours worked, multiplied by 100,000.

<sup>(23)</sup> The Severity Rate is the ratio of the number of days of absence due to accidents to the number of hours worked, multiplied by 1,000.

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Near misses<sup>(24)</sup> are also analyzed so that the appropriate preventive measures can be taken, including implementing best practices and correcting potentially dangerous behaviors. In 2014, approximately 27,000 near misses were identified and analyzed.

Health monitoring, prevention and emergency care are generally carried out by on-site medical personnel. In 2014, approximately 506,000 medical check-ups of various types were administered to employees (409,000 in 2013).

In 2014, there was one **fatal accident** involving a Group employee (Comau) at a customer plant in Argentina.

There were four fatal accidents involving external personnel: one at the Fiat Auto plant in Poland, one at the Teksid plant in Mexico and two at the FCA plant in Brazil. The circumstances were analyzed in detail and the FCA companies involved offered immediate support to the families of the individuals concerned and assisted local authorities with the accident investigations.

#### Fatalities

FCA worldwide

	2014	2013	2012
Fatal accidents involving Group employees (no.)	1	2	3

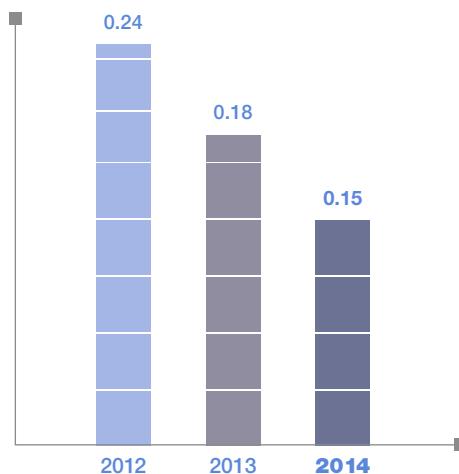
Occupational illnesses refer to diseases that develop gradually over time as a direct consequence of insured work activities carried out by an employee. FCA monitors trends of occupational illness on a continuous basis.

From a statistical point of view, occupational diseases occurring in the manufacturing environment fall into two distinct categories. First are the cases under investigation, which are being reviewed by insurers to verify, in accordance with the applicable regulations, the existence of a disease and a causal link with work activities carried out. The second category is confirmed by cases where the insurer, upon completion of an investigation, has confirmed that the above conditions exist.

In 2014, there was a total of 663 confirmed cases worldwide.

The **Occupational Illness Frequency Rate** was 0.15 cases per 100,000 hours worked (0.18 in 2013). This indicator (and changes from year to year) typically bears a low correlation to recent or current preventive measures as, unlike the accident indicators, it can relate to cases that emerged years or even decades prior to being confirmed. In fact, occupational diseases are quite complex and are usually related to working methods or environmental conditions that have long since been eliminated. There is currently no evidence of a high incidence or high risk of occupational disease related to FCA employees.

**Occupational Illness Frequency Rate**  
FCA worldwide (cases per 100,000 hours worked)



<sup>(24)</sup> A near miss is an event that did not result in injury or illness but had the potential to do so.

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## Safety Program

FCA's site specific safety programs exemplify the core value of providing a healthy and safe work environment. Delivering on this core value requires a broader approach in which health is not simply considered as a lack of illness or risk factors, but is considered more broadly in terms of the workers' well-being.

### EMEA



#### Fiat Auto Poland - Tychy plant (Poland)

The Tychy plant was awarded the "Safe Labor Leader" Gold Card for the excellent results obtained in the management of health and safety aspects. This award is assigned by the Forum of Safe Labor Leaders, an organization coordinated by the Polish Central Institute of Labor Protection and the National Research Institute, of which about 119 Polish and international companies are members.

The plant was also mentioned in the national "Improvement of Work Conditions" competition organized by the Polish Ministry of Labor and Social Policy for the "Safety Captain: worker who sees and reacts" project. This project reached its primary objective of improving working conditions and promoting technical and organizational solutions aimed at improving the health and safety of people in work environments.

#### Magneti Marelli - Sosnowiec plant (Poland)

During the year, workshops were held on the specific topic "Ten rules for a safe workplace." The purpose of the project was to leverage the creativity of the participants who invented stories and drawings to increase their colleagues' awareness of occupational safety, following suggestions made by Krystyna Blachura, a famous Polish cartoonist from the Animation Studio in Bielsko Biala.

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## NAFTA



### Teksid - Hierro de Mexico plant (Mexico)

In 2014, there were a number of industrial safety projects implemented. These initiatives included training courses, direct analysis in the field of the plant environment, the distribution and implementation of tools for analyzing critical situations, and the distribution of videos and visual management tools on the correct approach to the various work activities.

## LATAM



### All Comau Brazil plants

At all Comau Brazilian sites a new safety analysis model, called “S-Factor”, was developed as a tool to support plants in preventing accidents and enable potentially hazardous situations to be reduced and eliminated rapidly. This new method represents an increase in the use of risk assessment tools by the workers and the implementation of measures proposed to improve working conditions.

### All Magneti Marelli Brazil plants

All workers at the Magneti Marelli plants in Brazil were offered the opportunity to join the workplace safety campaign called “Voce Atento” (“You alert”), a program aimed at involving workers in promoting and adopting safe and correct behavior.

A prevention, environment and safety week (SIPATMA) was organized for the same purpose: all the workers at the Brazilian plants were involved in five days dedicated to various topics with a view to helping them to identify and recognize potentially hazardous situations, thus increasing their awareness of these topics, not just at work but also at home. The topics discussed in these training sessions were widely diversified but always closely related to the local situations in which they were held, such as the use of personal protective equipment (PPE), safe behavior, ergonomics, sexually transmitted diseases and separate waste collection.

## APAC



### Comau - Shanghai plant (China)

In 2014, the Comau plant in Shanghai received the “Perfect Safety Supplier” award for its excellent safety management performance in conducting its work activities at the sites of major car manufacturers.

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## Health Promotion Program

Fiat Chrysler Automobiles considers the health of its workers a top priority for all of its companies and all the countries in which it operates. FCA's Health and Safety Guidelines, which set out the Group's Health and Safety policies, describe the approaches to be adopted and instructions to be followed in all areas of the business.

FCA has a long-standing commitment to promoting and supporting health and well-being programs for its employees and their families, with a view to increasing sensitivity and awareness toward these issues.

In 2012, FCA launched the Health Promotion Program which is comprised of several projects that were developed and promoted at both a central level and a local level to support and monitor employees as they strive to adopt a healthy lifestyle, addressing regional issues where appropriate. The Health Promotion Program is based on experiences reported both inside and outside FCA, and follows the health and safety principles of the main international organizations, primarily the World Health Organization (WHO), the US Occupational Safety and Health Administration (OSHA), the European Agency for Safety and Health at Work (EU-OSHA), and the International Labour Organization (ILO).

The four top-priority areas where the Health Promotion Program seeks to intervene are:

- screening and vaccination (including services such as blood pressure, blood sugar level and cholesterol monitoring). An example is the "Benessere Donna" (Well-being of Women) project initially designed for the Pomigliano plant (Italy) and subsequently extended to all Group companies in Italy
- nutrition education initiatives including counseling on healthy eating in the workplace and providing healthier food options on the cafeteria menu. An example is the "La Salute vien mangiando" (Healthy Eating) project launched at the Avv. G. Agnelli plant in Grugliasco (Italy), which is being extended to other Group plants
- promotion of physical exercise including offering new opportunities for physical exercise through sports teams or clubs, and advice on how to increase daily exercise. For example, dedicating special areas of the Company to sport activities and/or entering agreements with local sports centers for use by employees and their families
- smoking cessation programs through awareness campaigns on smoking-related issues including long-term health risks and the creation of groups dedicated to quitting smoking.

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## EMEA



### AGAP (Avv. G. Agnelli) - Grugliasco plant (Italy)

At the AGAP plant, FCA launched the “La salute vien mangiando” project based on the principle that healthy eating helps to prevent disease and contributes to psychological well-being. The project, which was developed in close collaboration between the Environment Health & Safety department, the Plant Medical Room and the Company cafeteria manager, consists of a reorganization of the menus offered to the workers, proposing various types of menu with different calorie contents (Light, Medium and Energy), as well as the possibility of choosing between menus suitable for special needs such as vegetarian, gluten-free, pork-free, low-fat and dairy-free menus. The project also includes menus for people with coeliac disease or other major food intolerances, with the availability of ad hoc menus.

The Group also launched a voluntary program with about 50 workers, including both men and women, white and blue collar workers, aged between 29 and 54 years. For the first phase, the volunteers filled in a questionnaire on their food habits so they could be given support for improving them.

### Verrone Powertrain - Verrone plant (Italy)

In collaboration with the “Edo e Elvo Tempia” foundation, posters were exhibited in the Company cafeteria of the Powertrain plant in Verrone showing the principal nutritional characteristics of the most common foods and indications as to which should be preferred in one's diet. The purpose of this project is to increase awareness of the importance of following a balanced diet for a healthier lifestyle, at home and at work.

### Giambattista Vico - Pomigliano plant (Italy)

The Pomigliano plant was the first to launch the “Benessere Donna” program, which was subsequently extended to all Group companies in Italy. This program, which consists of the prevention and early diagnosis of women's cancers, offers an opportunity for preventive screening through:

- Gynecological visit
- Diagnostic examination (Pap test)
- Breast ultrasound scan.

Particular attention was paid to communications to make sure the women were aware of the importance of prevention in the approach to health.

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### SATA - Melfi plant (Italy)

In 2014, the SATA plant implemented a long-term, multidisciplinary, cross-departmental program for all workers in close collaboration between the Environment, Health and Safety (EH&S) department, local company doctors, a cardiology consultant and the managers of the Company cafeteria.

The aims of the project were:

- To assess the cardiovascular risk on a representative sample of workers at the plant
- To take multidisciplinary preventive measures by reducing modifiable risk factors
- To reduce the cardiovascular risk (including the specific needs of the night shift).

The project started with the identification of the cardiovascular risk profiles developed using a special software tool validated by the Ministry of Health.

It continued through the implementation of corrective action on modifiable risk factors (adequate diet and ideal weight, exercise and sport, smoking and blood pressure), and the promotion and adoption of healthy eating habits in line with the principal international standards, such as those expressed by the food pyramid and related environmental pyramid. With the collaboration of the Company cafeteria managers, the menus were modified to offer dishes favoring food in season and local cuisine with portions that take the guidelines for a healthy diet into account.

The following steps have also been planned:

- aerobic and anaerobic physical exercise programs, specifically targeted and periodically checked by physiatrists and cardiologists at the plant's sports facilities
- counseling, information and training programs aimed at encouraging workers to give up smoking
- monitoring programs for blood pressure and fat levels for categories found to have a moderate-high cardiovascular risk, with the ultimate aim of reducing the risk index.

In 2014, an agreement was reached with the authorities responsible for managing the 118 Emergency Services to set up an infirmary at the plant in one of the Medical Rooms. This infirmary will be made available to the entire complex.

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### **Magneti Marelli Powertrain - Bologna plant (Italy)**

At the Magneti Marelli plant in Bologna, a program was launched to help workers reduce and, where possible, give up smoking. The method consisted of an initial briefing for all interested workers who were given psychological support through information, highlighting the negative aspects of smoking from the medical and scientific point of view and the damage that it causes, without the aid of substitutes.

### **Fiat Auto Poland - Tychy plant (Poland)**

All employees were offered the possibility of undergoing several types of medical screening for early diagnosis of the most common diseases, such as cancer, thyroid, gastrointestinal or cardiovascular disorders. The program proved to be very popular with the participation of more than 50% of the workers at the plant.

### **Magneti Marelli - Barcelona plant (Spain)**

In October, 95 workers from the Magneti Marelli plant in Barcelona took part in the “Women’s Race”, a charity race benefiting the nonprofit Breast Cancer Research association. In all, the “Women’s Race” engaged more than 25,000 women dressed in pink along an 8 km route through the streets of Barcelona.

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## NAFTA



### FCA US

The health and well-being programs of the NAFTA region provides workers opportunities and encouragement to get more physical exercise and follow a balanced, healthy diet.

In 2014, about 22,600 worker health assessments and 11,200 biometrical screenings were completed by the technical wellness staff.

FCA US launched a pilot project to provide workers with the opportunity to engage in a direct dialogue with psychologists on how to tackle the principal causes of stress in the workplace. Several related information sessions on specific psychological topics were organized at the FCA US Headquarters and Technology Center.

The NAFTA region wellness program also offered several types of projects, including agreements with fitness centers, smoking cessation programs, lessons to improve one's lifestyle, flu vaccines and charitable volunteer activities.

In 2014, FCA US won the National Business Group Best Employers for Healthy Lifestyles Gold award.

### FCA Canada Inc.

In Canada, several projects were developed as part of the "Work toward Wellness" program, including cancer prevention campaigns, through an assessment of predisposition factors and in-depth screening investigations. To help prevent the most prevalent health problems, Canadian workers were involved in ad hoc screening campaigns and those considered to be potentially at risk were advised to have specialist examinations and follow treatment programs. The flu vaccine was given to everyone who requested it through the "Health screening and Flu Shot" program.

## LATAM



### All Magneti Marelli Brazil plants

As one of the world cancer prevention projects, the Company launched a dual campaign aimed at involving its female workers ("Pink October," in October) and its male workers ("Blue November," in November). These campaigns were supported by meetings with specialists to increase the workers' awareness of cancer prevention and included gymnastics sessions in collaboration with the Company's sports association, and two chats were activated, one intended specifically for women and the other for men.

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## APAC



### Fiat India Automobiles Private Limited - Ranjangaon plant (India)

In collaboration with the Red Cross association in India, the Jankalyan blood bank and Pune Hospital, FIAPL workers were offered the opportunity to donate blood during working hours. About 600 donations were made by workers in 2014.

The Company also launched programs to encourage healthy lifestyles, with particular reference to:

- prevention of cardiovascular disease
- prevention of diabetes
- prevention of visual disorders
- reduction and elimination of nicotine dependence
- prevention of musculoskeletal disorders.

Additionally, workers were offered free yoga sessions.

### GAC Fiat Automobiles - Canton plant (China)

At the GAC plant in China, the Company launched several awareness campaigns providing information on the following topics:

- improvement of lifestyle through a balanced diet and physical exercise
- prevention of hyperuricemia<sup>(25)</sup>
- prevention of respiratory diseases.

<sup>(25)</sup> Abnormally elevated blood level of uric acid.

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## Initiatives for a Culture of Prevention

At FCA, health and safety training and awareness programs play a key role in establishing a culture of prevention and promoting safe behavior in the workplace.

Based on the Occupational Health and Safety Management System (OHSMS) and the World Class Manufacturing (WCM) Safety pillar, these programs focus on safeguarding health and safety, the importance of following established policies and procedures, and appropriate prevention behaviors at all levels and areas within the organization.

In 2014, approximately 171,000 employees (including 134,000 hourly employees) received 1,215,000 hours of training, representing a year-over-year increase of around 3% (1,184,000 in 2013).

In Italy, all courses in the Health and Safety First training platform were planned by the **Organismo Paritetico Health and Safety** (OPHS), a body established in 2011 by FCA, CNH Industrial and several Italian trade unions (FIM-CISL, UILM-UIL and FISMIC) to ensure joint governance of training programs and measures for improvement, as well as a forum for proposing solutions where major workplace health and safety issues exist.

The objective of the **Health and Safety First** training platform is to provide a range of courses relevant to the specific circumstances and requirements of FCA plants in Italy, addressing, in particular, managers and other employees with responsibility for areas affecting safety, internal health and safety specialists (e.g., Safety Officers responsible for emergencies and first aid, etc.) and employee safety representatives.

During 2014, a number of information and awareness campaigns addressing major health issues were carried out at Group sites worldwide.

### Health and safety training

FCA worldwide (thousands)

	2014	2013	2012
Hours of training	1,215	1,184	1,079
Employees involved	171	155	215
of which, hourly employees	134	116	154



**1.2 mn**  
training hours

*This content was subject to assurance by SGS Nederland B.V. (27 March 2015)*

## Recognition and Awards

Sustainability is an issue that affects us all, particularly when it comes to the environment, energy, health and safety. Building on the experience at FCA US, which established the Environment Leadership Awards (ELA) about 20 years ago, FCA extended the initiative to other FCA companies worldwide and created the **Environmental Health and Safety Leadership Awards (EHSLA)**.

This recognition program, which is open to all FCA employees and contractors, further underpins the Group's position as a sustainability leader at the international level.

The EHSLA recognizes individual and group projects that offer innovative and cost saving solutions relating to energy, health and safety, and the environment.

The main objectives of the EHSLA are:

- to recognize individual and group initiatives that contribute to improvements in the safety and environmental performance of FCA's products and production processes
- to promote knowledge sharing and application of best practice
- to encourage a culture of safety and environmental awareness.

The first round of each annual EHSLA competition will be conducted by each region and business unit within FCA (EMEA, NAFTA, LATAM, APAC, Comau, Magneti Marelli and Teksid). The finalists will then advance to the global competition, where the overall winners in each category are selected by an expert or senior level committee.

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## Employee Commuting

Promoting alternatives for employee commuting is not only beneficial for our workers, but also for the environment. The initiatives implemented include optimizing travel routes, promoting public transportation and using more sustainable vehicles.

One project is easygo, started at Mirafiori, Turin (Italy). Easygo targeted approximately 18,000 employees and 4,000 daily visitors who commute to and from the complex, and has been implemented in other plants as well. Employees have a dedicated Internet portal where they can sign-up to participate in **carpooling initiatives**, share means of transportation and access information about public transportation and bike paths.

The main benefits expected from the project include not only a reduction in the environmental impact from commuting, but also improved employee satisfaction and well-being resulting from reduced commute time and cost, reduced risk of accidents, lower stress and more social interaction with coworkers.

At the U.S. headquarters, FCA has a grassroots sustainability program that promotes employee ideas and engagement. One of the grassroots teams supports a **vanpool** program to provide alternative transportation to and from work. The ride-share program reduces road congestion and offers a more economical and less stressful commuting option for employees. In 2014, the program had more than 170 participants. Through this initiative, more than 5.8 million kilometers of drive travel, and the associated CO<sub>2</sub> emissions, were avoided.

In Brazil, more than 13,800 FCA employees at the Betim plant have access to a **shuttle service** with 226 buses. Around 21,500 people, including indirect employees, use the transportation system daily, which serves 18 different cities. The service enables the riders to reach work without using private vehicles, thus reducing traffic congestion.

### Related content

[Reducing transportation environmental impact](#)



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## Business Travel

The Group understands the impact that business travel can have on the environment, employees and the broader community, and is committed to a **responsible travel management program**.

For the past five years, FCA has monitored CO<sub>2</sub> emissions generated by its business air travel. In 2014, CO<sub>2</sub> emissions from air travel totaled approximately 42,100<sup>(26)</sup> tons. The CO<sub>2</sub> emissions recorded in 2014 were generated by more than 379 million kilometers flown, a result of the global nature of the Group. Due to an increase in the total workforce and an expansion of the monitoring scope, total kilometers traveled increased by 7.2% compared with 2013. We are now tracking business travel for 56.5% of Group employees worldwide.

To minimize the need for travel, the use of audio and video conferencing and instant messaging systems was further extended to reach about 88,000 FCA employees.

In 2014, on a daily basis there were approximately 180,000 peer-to-peer instant messaging sessions with more than 1.5 million exchanged messages, 7,800 peer-to-peer collaboration sessions (audio/video/application sharing), and 2,700 multi-party conferences (audio/video/instant messaging).

The FCA US Business Travel organization added sustainability questions to their hotel *Request for Proposal* process for the NAFTA region. The supplier response was positive, with more than 150 hotel partners being certified by either [ISO 14001](#) or the Green Key Eco-program. The ISO 14000 certification addresses various aspects of environmental management. Green Key is a hospitality industry rating that verifies five main operational areas and nine areas of sustainable practices through on-site audits.

### Related content

[FCA telepresence videoconferencing system](#) >

[Reduction in transportation environmental impact](#) >

(26) This calculation was made according to the DEFRA methodologies.

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## Offices

FCA's commitment to reducing our impact on the environment goes beyond our products and industrial plants to also include workspaces and offices.

New and existing initiatives provide the opportunity for employee involvement and training on issues relating to personal health, the environment (waste management, water consumption, energy savings) and good practices in the employee workplace environment. The ultimate objective of these initiatives is to generate awareness of sustainable practices applicable both in the office and at home. The Group's various initiatives have been implemented through a number of different communication channels. These channels include the FCA employee portal, external websites, targeted emails, meetings, signage in common areas, and special events.

### Better Office



The *Better Office* initiative is one demonstration of FCA efforts to engage our employees. This project was implemented in 2014 at various facilities in Italy and currently covers approximately 2,300 employees. The initiative aims to increase employee awareness on sustainability topics and spread a shared culture across the Group.

Through a variety of communication channels such as information leaflets, videos on the employee portal and signage, employees are given ideas on **sustainable practices** in the office and at home. These ideas are practical solutions that can be shared with employee friends and families.

Among the topics that have been included in the program are lighting; air conditioning and heating; nutrition and food waste; and water and paper savings. In 2015, Better Office will be extended to other sites and countries to reach more employees with this message of how to incorporate sustainability into our daily lives.

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## Energy Efficient Solutions

GRI-G4 EN6, EN19



Considered state of the art in efficiency and reliability when built over 20 years ago, the FCA US Headquarters and Technology Center's central chilled water system services more than 464,000 m<sup>2</sup> of research, development, and office space. The challenge with this aging chilled water system is controlling the cooling equipment so that it matches the enormous cooling demand.

In 2014, new equipment replaced manual cooling demand-matching with automatic controls, reducing 12,000 MWh of electricity consumption, eliminating 9,000 tons of CO<sub>2</sub> emissions, and saving more than €525,000 per year. The updated control system integrates modern electronics, motors, and a variety of pressure and temperature sensors paired with an adaptive control algorithm that balances chilled water supply to specific demand. The new control system measures system efficiency and continuously makes adjustments to run the right combination of pumps and chillers at the correct speed. An added benefit is that the system is more responsive to cooling load changes, reducing the risk of interruption in vehicle and engine testing operations which require cooling 365 days a year.

The chiller system optimization project is leading a Company-wide effort to adopt this best practice. Similar projects have been implemented at four assembly plants and three powertrain plants, reducing more than 33,000 MWh of electricity consumption, eliminating 20,000 tons of CO<sub>2</sub> emissions, and saving more than €1.8 million per year.

## Zero Waste to Landfill

GRI-G4 EN11



The FCA US Headquarters and Technology Center in Auburn Hills (U.S.), where more than 14,000 people work, is a Zero Waste to Landfill site. Approximately 1,670 containers were installed for separate waste disposal of plastic, paper, recyclable and organic material. Of a total 7,626 tons of waste generated at the complex during 2014, zero waste was disposed of to landfill.

The complex is located in an expansive wooded setting with wetlands that are preserved as part of a master plan to protect the area's abundant wildlife. The 1.9 km<sup>2</sup> site has achieved Wildlife at Work certification from the Wildlife Habitat Council which recognizes organizations that engage in projects to increase biodiversity at their facilities.



**ZERO**  
waste disposed  
to landfill

## Related contents

[Energy consumption reduction in plants](#)



[Energy consumption reduction in dealerships](#)



[Waste generation reduction in plants](#)



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## Food Waste Reduction in Cafeterias



Several sustainability-focused initiatives were launched at FCA sites throughout the LATAM region. Some were linked to the implementation of standards and international certifications, such as ISO 14001 and ISO 50001, at Group plants. Other initiatives focused on preserving natural resources through conscientious use and reduction of cafeteria food waste, like the *Together We Are 20 Thousand Sustainable Attitudes* and *No Waste* campaigns launched at the Betim (Brazil) plant.

FCA recognizes that **nutrition and food waste** are two topics of global importance. Programs on such topics can generate both environmental and social benefits. This commitment is also demonstrated by our support as Global Partners of Expo Milano 2015, the universal exhibition that will be held in Italy, focused on the *Feeding the Planet, Energy for Life* theme.

Before the cafeteria food waste awareness campaign, the Betim plant, where approximately 19,500 are employed, wasted an average of 45.6 grams of food per person per meal. This totaled 228 tons of food a year, which is enough food to feed more than 200 people in a year.

Under this awareness campaign, each month the four plant cafeterias that succeed in wasting less than 40 grams of food per person, donate 10 baskets of food to **charitable institutions** designated by the *Árvore da Vida* program.

The program was very successful and the 40 grams of food target was met or exceeded 47 times with 470 baskets being donated since the beginning of the program. Consequently, in May 2014 the limit was changed to 35 grams per person. In the following eight months, the target was met six additional times. As a result, baskets of food were donated to the Antonio Goncalves Pereira association, the Instituto Ebenézer, the Instituto Tia Dulce and others.



**470 FOOD**  
baskets donated

### Related contents

[Global Partners of Expo 2015](#)



[Health Promotion Programs for employees](#)



[Contribution to community](#)



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## Green ICT

The Group is committed to reducing the environmental impact of our Information Technology (IT) activities. Equipment is replaced annually so that it is more efficient and increases productivity.

In 2014, FCA continued to replace office hardware with more efficient equipment. Since 2010, the move to more efficient personal computers has resulted in electricity savings of 2,143 MWh and avoided approximately 1,313 tons of CO<sub>2</sub>.<sup>(27)</sup> The Group intends to further extend these efforts in 2015.

The new equipment was selected to address the most stringent health, safety and environmental standards. It does not contain mercury, thus enabling environmentally friendly disposal and recycling.

In 2014, FCA US completed a program to replace single-function printing devices throughout U.S. facilities. Multi-functional printing devices were deployed at the FCA US Auburn Hills headquarters, enabling printing, copying, faxing and scanning all from one device. The new devices also streamline maintenance by automatically ordering toner when low levels are detected, and minimizes solid waste. In 2014, this initiative saved 750 tons of greenhouse gases; 114 tons of solid waste, (toner cartridges, packaging, equipment, and consumable production software) and 3,367 MWh of electricity.

The server consolidation and virtualization work performed in 2014 within FCA companies reduced power consumption by 13,163 MWh and avoided approximately 8,631 tons of CO<sub>2</sub>. Since 2010, 49,634 MWh and 31,815 tons of CO<sub>2</sub> have been saved cumulatively.

To optimize and further support the growth of FCA business, in 2014 a multi-year strategic services agreement to manage the IT infrastructure and services was signed with a major IT services provider. The new contract also includes infrastructure management and hosting for the global mail solution servicing for more than 150,000 employees worldwide. This agreement, an extension of a decade-long partnership, will continue to provide technology innovation and global delivery capabilities from data centers in three regions where advanced sustainability measures to reduce the environmental footprint have been taken.

To support its global operations, the Group uses telepresence videoconferencing extensively. In 2014, this integrated system of 209 meeting rooms equipped with high quality conference screens registered more than 69,200 hours of teleconference. This figure represents an increase of more than 100% in usage compared with the previous year<sup>(28)</sup>. The success of this communication method enables employees to communicate effectively with their counterparts at other locations, while reducing business travel and its related impact on costs and on the environment.

### Related content

[Group telepresence videoconferencing](#)



<sup>(27)</sup> The conversion factor used for EMEA is 1 kWh = 0.52 kg of CO<sub>2</sub> (source: Carbon Trust, Conversion Factors, 2011), the conversion factor used for NAFTA is 1 kWh = 0.739 kg CO<sub>2</sub> per kWh (source: Emissions & Generation Resource Integrated Database eGRID, 2014 2010 RFCM).

<sup>(28)</sup> Increase was about 110% in 2014<sup>4</sup>, and 120% in 2013.

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# Our Engagement



## Stakeholder Engagement

FCA values the viewpoints of our various stakeholders and engages with them throughout the year, both as part of our normal business activities as well as through sustainability-focused dialogues. This exchange of ideas helps the Group understand stakeholder perspectives on the economic, environmental and social impacts of FCA's actions and is essential for the Group to continue making progress toward our sustainability objectives.

&gt;



## Value Chain

As a global Group, FCA recognizes the importance of sharing its commitment and expectations with all those involved in every step of our business around the world. These relationships include business partners who provide materials and components, those who sell and service our products, and the customers who ultimately use them. Approaching issues across the entire value chain is the best way to achieve sustainable growth.

&gt;



## Customers

The ability to build customer loyalty is crucial to the Group's long-term success. FCA's efforts to create lasting relationships are focused on meeting or exceeding customer expectations at every step of the purchase and ownership experience. In line with its respect for customers, the Group places a top priority on delivering vehicles with high levels of quality and safety, and applies maximum attention on protecting customers' personal data.

&gt;



## Dealer and Service Network

Dealers are key business partners, providing a direct link with customers and playing a pivotal role in developing and maintaining a relationship of trust with them. FCA puts a major emphasis on providing extensive and varied training opportunities to expand the skills of those working within the network.

The Group also works closely with dealers to enhance their competitiveness as well as to increase their awareness of sustainability issues.

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## Suppliers

Suppliers are strategic allies in the quest to constantly improve our products while achieving responsible and sustainable development goals even in the face of challenges resulting from globalization. FCA regards strong supplier relationships, built on cooperation and mutual understanding, as vital to ensure the widespread incorporation of sustainability criteria in the selection, management, training and engagement of suppliers.

&gt;



## Relationships and Memberships

FCA works with organizations and governments around the world to advance solutions related to our own performance as well as issues linked to sustainable mobility. Participation in public policy, industry, and academic forums provides a way to contribute to the future development of regulations and standards in the automotive industry. Advocacy activities are conducted in strict compliance with the Group's Code of Conduct.

&gt;



## Trade Unions

Trade unions are important partners who represent the voices of many of our employees. As established in its Code of Conduct, FCA recognizes and respects the right of its employees to be represented by trade unions or other representatives in accordance with local legislation and practice, including those of the trade unions themselves. FCA maintains relationships with trade unions and employee representatives that are based on mutual respect and constructive dialogue. During 2014, that dialogue included achieving consensus-based solutions to address market conditions.

&gt;



## Communities

FCA embraces a moral responsibility to contribute constructively to the greater community. This conviction that the Group can and should be an agent of positive change is deeply embedded in its culture and is an intrinsic part of corporate decision-making. This commitment to society is also reflected in the way the Company encourages its workforce to donate its time and skills to help build strong, self-reliant communities.

&gt;

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## Stakeholder Engagement

- Commitment to Stakeholders
- Materiality
- Map of Relevant Topics for Stakeholders
- Breakdown of Value Added

*This content was subject to assurance by SGS Nederland B.V. (27 March 2015)*

## Commitment to Stakeholders

FCA's ability to generate value through business decisions depends on the effectiveness with which we can listen to and recognize the needs and expectations of those stakeholders who, directly or indirectly, affect the activities of the Group or are influenced by them. These stakeholders include employees, customers, suppliers, dealers, institutions, trade unions and associations, investors, and local communities and their surrounding area. Our **sustainability-focused stakeholder initiatives** help us to better **identify risks and opportunities**, and **adapt our strategic objectives to social, technological and regulatory changes** around the globe. We communicate with stakeholders through many channels, including the dedicated global email address [stakeholder.dialogue@fcagroup.com](mailto:stakeholder.dialogue@fcagroup.com).

Our stakeholder engagement and development of materiality is conducted in accordance with the principles of the Global Reporting Initiative (GRI-G4), the AA1000 Principles Standard, the AA1000 Materiality Report guidelines, the AA1000 Stakeholder Engagement Standard and the <IR> Materiality Background Paper. FCA has adopted Stakeholder Engagement Guidelines which state that it "firmly believes that this engagement process, backed by a clear commitment, is a key element for maximizing the opportunities and managing the potential risks affecting our business which could arise from the interaction with the various categories of stakeholders."

The Group launched its targeted stakeholder engagement activities in 2012 with a survey completed by approximately 70 employees from various functional and geographic areas who were asked to respond to the survey twice: first as an employee and then, a second time, from the perspective of the stakeholder group with which their FCA organization interacts (e.g., supplier, dealer, media, etc.).

In 2013, the Group conducted the first sustainability-focused engagements with **external stakeholders** in Italy, Brazil and the United States involving 72 participants from key stakeholder groups, including: suppliers, dealers, customers, media, industry groups, institutions, academia and nonprofit organizations.

Sustainability-focused Stakeholder Engagement events	Topics selected by region	Major cross-cutting themes that emerged
Turin (Italy), November 2013 23 participants	<ul style="list-style-type: none"> <li>■ Promotion of a culture of sustainability through partnerships with the world of education and other players</li> <li>■ Encouraging new models of mobility that meet the ever-changing requirements of customers and new constraints of urban spaces</li> </ul>	<ul style="list-style-type: none"> <li>■ Developing innovative solutions for sustainable mobility</li> <li>■ Developing alternative fuels</li> <li>■ Optimizing fuel consumption and reducing vehicle CO<sub>2</sub> emissions</li> <li>■ Road safety and related social impact</li> <li>■ Sharing sustainable practices along the supply chain</li> <li>■ Spreading a culture of sustainability in society</li> </ul>
Belo Horizonte (Brazil), December 2013 25 participants	<ul style="list-style-type: none"> <li>■ Emphasis on managing end-of-life products</li> <li>■ Participation in the development of public policies that improve the quality and accessibility of services</li> </ul>	
Detroit (U.S.), January 2014 24 participants	<ul style="list-style-type: none"> <li>■ Promotion of new models of mobility that meet the ever-changing requirements of customers and new constraints of urban spaces</li> </ul>	

**Internal stakeholders** (i.e., employees and contractors) were once again the focus of FCA's stakeholder engagement activities in 2014. Fourteen sustainability-oriented employee events were conducted in the EMEA, NAFTA and APAC regions. Special efforts were made to accommodate hourly employees whose shift schedules and plant locations make participation in such events more difficult to schedule.

Employees participated in open discussions and workshops to evaluate FCA's impact on a wide variety of economic, environmental and social topics. In addition, **more than 300 employees completed quantitative surveys** to supplement the results from the dialogues.

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Focus on regional events description:

#### **EMEA region**

- Seven Stakeholder events were held at various locations across Italy, with 221 employees participating: four events with hourly employees, two with salaried employees and one combined event.

#### **APAC region**

- The first APAC Stakeholder event was held in Shanghai, with 34 employees representing a variety of functions and companies within the Group.

#### **NAFTA region**

- Six Stakeholder events were held in Michigan (U.S.) involving 126 participants from the U.S. and Canada: two with salaried employees, one with summer interns and three with hourly employees.

The objectives of these events included:

- Gain a better understanding of economic, environmental and social **impacts** faced by the Group and its stakeholders
- Explore future challenges and **opportunities** in the area of sustainability, and discussing how better to address them as an organization
- Understand region- or country-specific differences in sustainability requirements and expectations
- Enhance **communication** of the Group's sustainability objectives and results to employees
- Promote overall **sustainability awareness**, in collaboration with academia.

<b>Sustainability-focused Stakeholder Engagement events</b>	<b>Topics selected by region</b>	<b>Major cross-cutting themes that emerged</b>
6 sites in Italy (Grugliasco, Torino, Carmagnola, Venaria, Pomigliano and Melfi) June -July 2014 221 participants	<ul style="list-style-type: none"> <li>■ Promotion of education regarding sustainability aspects</li> <li>■ Focus on recycling and use of recycled materials</li> <li>■ Promotion of energy savings and use of renewable resources</li> <li>■ Enhancement of education on sustainability topics, engaging institutions</li> </ul>	<ul style="list-style-type: none"> <li>■ Development of new sustainable mobility solutions</li> </ul>
2 sites in U.S. (Auburn Hills and Dundee, Michigan) June -October 2014 126 participants	<ul style="list-style-type: none"> <li>■ Focus on new mobility needs and "autonomous vehicles"</li> <li>■ Reduction of traffic congestion in urban areas</li> <li>■ Vehicle connectivity and vehicle sharing</li> </ul>	<ul style="list-style-type: none"> <li>■ Introduction of mobile connectivity and new technologies in vehicles</li> <li>■ Improvement of vehicle fuel economy</li> <li>■ Involvement of suppliers in sustainability aspects</li> </ul>
1 site in China (Shanghai) July 2014 34 participants	<ul style="list-style-type: none"> <li>■ Establishment of a culture of sustainability</li> <li>■ Promotion of flexible working hours</li> <li>■ Improvement of work-life balance for employees</li> <li>■ Reduction of resource consumption during vehicle production and related CO<sub>2</sub> emissions, pollution and waste</li> </ul>	

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## Materiality

FCA's sustainability reporting focuses on those topics that have been determined to be material. In 2014, **material topics** identified in prior years were subjected to a thorough review and the **FCA Materiality Diagram** was updated accordingly. In addition to the results from our **stakeholder engagement activities**, the determination of materiality also took into account strategic priorities, corporate values, competitive activities and social expectations.

An analysis of the scope of each material aspect confirmed that each has impacts throughout the entire organization and across all operating segments and regions. In addition, each aspect has impacts outside the organization in geographical areas where the Group operates and for all stakeholder categories identified. The boundary of this Sustainability Report covers all companies consolidated by FCA N.V. at 31 December 2014.

Certain aspects not categorized as highly material are nonetheless included in our reporting because of their global significance or their relevance to selected stakeholder groups including, but not limited to, renewable energy, public policy engagement, biodiversity and the Group's ability to recover from external events.

### 2014 FCA Materiality Diagram

■ Product ▲ Environment ● Social



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## Map of Relevant Topics for Stakeholders

As highlighted in the Group Stakeholder Engagement Guidelines, FCA's responsibility to stakeholders includes disclosing and consulting on the **impacts** and **benefits** of its **activities** and communicating the development of its programs to the public. For this purpose, the following map of topics that are relevant for stakeholders describes the main actions taken in response to feedback.

### Public institutions

Government, local authorities, public agencies, regulatory bodies, institutions and trade associations

### Approach of engagement

- Continuous dialogue on regulatory and legal developments
- Periodic ad hoc meetings on corporate objectives and decisions
- Development of joint projects and alliances to promote social and environmental issues
- Participation in working groups and collaborative training on auto industry-specific topics

Stakeholder expectations	Our leading actions
Achievement of common targets and alignment with industry standards in terms of quality, safety and the environmental impacts of products and processes	Compliance with industry standards, pulling ahead achievement and exceeding minimum requirements when feasible
Responsiveness and proactiveness toward projects and initiatives related to environmental and social matters	Regular disclosure on performance and future targets related to minimizing the environmental and social impacts of our business
Technical support on specific industry-related issues	Active membership in trade and industry organizations such as ACEA <sup>(1)</sup> , NGVA <sup>(2)</sup> , EDTA <sup>(3)</sup> , ERT <sup>(4)</sup> , the Alliance <sup>(5)</sup> , AIAG <sup>(6)</sup> and ANFAVEA <sup>(7)</sup> among others

(1) European Automobile Manufacturers' Association.

(2) Natural Gas Vehicle Association (Europe and U.S.).

(3) Electric Drive Transportation Association.

(4) European Round Table for industrial leaders.

(5) Alliance of Automobile Manufacturers (U.S.).

(6) Automotive Industry Action Group (North America).

(7) Associação Nacional dos Fabricantes de Veículos Automotores (Brazil).

*This content was subject to assurance by SGS Nederland B.V. (27 March 2015)*

## Employees

### Approach of engagement

- Ongoing dialogue with FCA Human Resources function representatives and management
- Yearly evaluation process and meetings to communicate expected and actual performance level and outline professional development path
- Internal people satisfaction surveys
- Employee Town Halls and other meetings
- Provision of development opportunities including training and mentoring
- Employee Resource Groups (ERG) and Diversity Work Streams initiatives
- Employee suggestion initiatives
- Employee volunteer opportunities for the benefit of society and the environment

Stakeholder expectations	Our leading actions
Transparent, open corporate communication	Worldwide access to employee portals and other internal communication channels for employees Updates from senior management on organization performance and Company developments
Safe and healthy work environment	Highest health and safety standards pursued at all work locations and continuous reduction of work injury rates
Transparency on objectives and reward system	Employee appraisal systems adopted worldwide to assess employee results and behavior
Availability of training and professional development	Training available to Group employees on topics which include job skills, integrity, sustainability and diversity
Promotion of diversity, inclusion and respect for human rights	Group Codes of Conduct, guidelines, processes and procedures aligned with highest international standards

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## Trade unions and employee representatives

### Approach of engagement

- Meetings at all levels (plant/company, regional/national) as required by law or contractual provisions
- Continuous dialogue at plant, company, regional or national level
- Trilateral meetings (company, trade unions and government bodies) on matters of particular relevance

Stakeholder expectations	Our leading actions
Open and constructive dialogue aimed at defining joint solutions	Dialogue in line with applicable local legal or contractual provisions and regulations

## Dealer and service network

### Approach of engagement

- Daily contacts and periodic meetings
- Sustainability-focused Stakeholder Engagement events

Stakeholder expectations	Our leading actions
Wide range of competitive products	Competitive financial services offered to customers Affordable products to meet the needs of a diverse customer base
Complete and rapidly accessible product information, including sustainability features and Group commitment	e-Product tool available to support vehicle sales by effectively explaining product range and innovative characteristics and technologies Incorporation of sustainability messages in product advertising
Support for business profitability by reinforcing managerial skills	Empowerment of dealership staffs to improve managerial and interpersonal skills

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## Prospective and existing customers

### Approach of engagement

- Sales and after-sales processes
- Market research (concept tests, clinic tests, image and awareness surveys, focus groups)
- Customer satisfaction surveys
- Communication channels (web, social media, direct mailing)
- Events (exhibitions, product launches, trade fairs, conventions and owner events) and sponsorships
- Sustainability-focused Stakeholder Engagement events

Stakeholder expectations	Our leading actions
Product quality, innovation and affordability	Provision of products that combine highest quality standards and innovative technologies while recognizing and accommodating for different economic and geographic requirements and mobility needs of a wide range of customers
Product safety	Offer a variety of technologically advanced safety features and characteristics on our products
Innovation at competitive prices	Introduction of innovative product solutions accessible to a wide customer base
Quality, speed, and efficiency of services offered	Professional, courteous and timely response from dealers, service centers and company
Availability of credit and financial services	Financial services offered to customers
Quality and reliability of products	Quality priorities used globally to categorize and address product standards
Low-emission products	Continual efforts made to introduce and develop a diversified portfolio of technology solutions to reduce CO <sub>2</sub> emissions from vehicles
High fuel economy vehicles	Ongoing efforts made to increase fuel economy using a balanced approach that combines conventional and innovative technologies
Development of mobility solutions and services for greater affordability of urban transportation and an increase in the quality of life in modern cities	Promotion of new mobility concepts (e.g., car-sharing, carpooling) that are economically viable for the Group and its customers in partnership with institutions and other organizations. Future trends analyzed and sector drivers of mobility paradigm shifts identified
Environmentally friendly business processes	Development of solutions designed to reduce the environmental footprint of operations

*This content was subject to assurance by SGS Nederland B.V. (27 March 2015)*

## Suppliers and commercial partners

### Approach of engagement

- Daily relationship through Purchasing function representatives
- Engagement through sustainability clauses in contracts
- Technology Days and SUpplier Product Enhancement Reward (SUPER) program
- Supplier Town Halls
- Conferences and training programs
- Sustainability-focused Stakeholder Engagement events

Stakeholder expectations	Our leading actions
Joint collaboration and sharing of best practices between the Group and the supply chain on critical aspects of sustainability	Support and training provided to suppliers intending to implement the World Class Manufacturing system
Sustainability and innovation criteria as drivers for purchasing decisions	Organization of initiatives to allow suppliers to present innovative ideas and new products. Clauses progressively introduced in new agreements requiring suppliers to comply with both the Group's Code of Conduct and specific Sustainability Guidelines
Continuity of supply and fulfillment of contractual conditions	Significant number of long-standing company-supplier relationships Limited number of disputes with commercial partners
Promotion of diversity and inclusion in the supplier base	Initiatives to support inclusion of minority suppliers in the supplier base
Collaboration for common improvements to reverse logistics	Partnerships established with other organizations to handle reverse logistics and to make component and material takeback more efficient

*This content was subject to assurance by SGS Nederland B.V. (27 March 2015)*

## Local communities and NGOs

Scientific and technological research, schools and academia, cultural, professional and socio-political representatives and opinion leaders

### Approach of engagement

- Ad hoc meetings on sustainability issues
- Initiatives, managed directly or in partnership
- Collaboration on joint projects
- Cultural exchange programs
- Dialogue with universities
- Participation on boards of directors of organizations
- Community Town Halls
- Sustainability-focused Stakeholder Engagement events

Stakeholder expectations	Our leading actions
Collaboration on research projects	Collaborations in place worldwide with private and public partners on automotive innovation programs and sector priorities
Research on alternative fuels	In 2014 alone, the Group invested around €3.7 billion on research and development. Continuous research on the potential of alternative fuels to reduce CO <sub>2</sub> emissions through innovative technologies
Development of an alternative, affordable drive system	Continuous evaluation of market opportunities for the implementation of electric or hybrid vehicles
Improve urban mobility experience	Worldwide engagement in research and development programs which focus on the development of new technologies and solutions to guarantee a mobility experience that is increasingly safe and sustainable
Promotion of education and culture of sustainability in society	Promotion of initiatives and programs dedicated to employees as well as external stakeholders conducted in partnership with academia and other organizations to increase sustainability awareness in society as a whole
Spread of a safe approach to driving with a particular focus on youth	Collaboration with several institutions and organizations to promote the teaching of techniques that combine safety and responsibility with driving pleasure
Support education of future generations	Talented youth nurtured through scholarships and monetary rewards worldwide
Contributions and support for initiatives for local development including medium- to long-term commitments	Material and monetary resources committed in 2014 for a value of more than €24 million to benefit local communities, (with activities focused on a variety of causes, such as education, for value of more than €12.5 million and social welfare approximately €5 million). Employees dedicated time and skills to volunteer initiatives in support of local communities in need

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## Investment community and financial analysts

Traditional and socially responsible investors; sustainability rating agencies

### Approach of engagement

- Daily dialogue
- Shareholder meetings
- Sensitive communications and information
- Quarterly conference calls
- Seminars, industry conferences, non-deal roadshows and investor meetings
- Investor Relations section of the Group website
- Sustainability assessment processes

Stakeholder expectations	Our leading actions
Expand and reinforce knowledge of the Group's sustainability efforts and results	Inclusion of sustainability information in presentations of quarterly financial results
Value creation (return on investment, sustainable and responsible management of the business)	Global presence of the business with more than a century of industrial history, with shipments at 6% vs 2013 and net profit of €632 million. Around 6% of free float shares held by Socially Responsible Investors (Source Vigeo research, as of 30 November 2012)
Identification of key developments in CSR-related topics	Continuous open dialogue with rating agencies and sustainability stakeholders to update material aspects and new emerging trends and expectations

## Journalists and media

### Approach of engagement

- Daily dialogue
- Presentations and press conferences
- Other events (product drives/launches, plant investment events, auto shows, etc.)
- Group and company websites
- Sustainability-focused Stakeholder Engagement events

Stakeholder expectations	Our leading actions
Availability, timeliness, accuracy and transparency of information on financial and non-financial performance	Continuous release and disclosure of information on Group strategies and results through the press, brand websites and the sustainability section of the corporate website and brochures

Each initiative is monitored through qualitative and/or quantitative **performance indicators** used by the business functions at both the central and local levels.

Evaluating the effectiveness of the implemented measures is a key ingredient in the lessons learned analysis (see also the Sustainability section of [www.fcagroup.com](http://www.fcagroup.com)). Together with feedback from stakeholders, this analysis contributes to continued improvements in Group sustainability.

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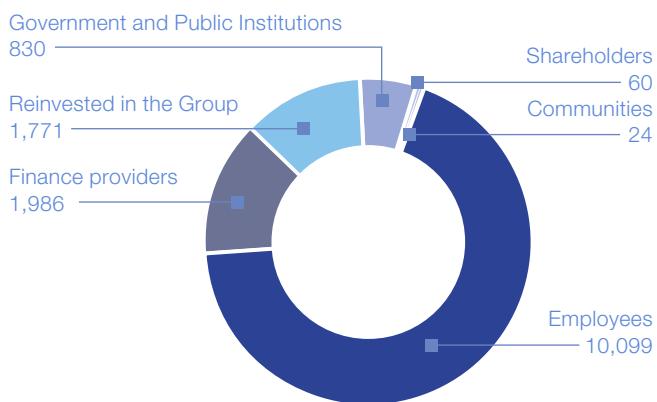
## Breakdown of Value Added

The value added through the activities of FCA and distributed to its various stakeholders in 2014 totaled €14,770 million (15% of revenues).

**Direct economic value generated**  
FCA worldwide (€ million)

	<b>2014</b>
Consolidated 2014 revenues	96,090
Income of financial services companies	(275)
Government grants (current and deferred/capitalized), release of provisions, other income	568
Other income	490
<b>Direct economic value generated</b>	<b>96,873</b>
Cost of materials	(75,606)
Depreciation and amortization	(4,897)
Other expense	(1,600)
<b>Value added</b>	<b>14,770</b>

**Breakdown of value added**  
FCA worldwide (€ million)



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## Value Generation for Stakeholders

- Our Business Model
- Melfi: the Rebirth of a Responsible Plant
- Pernambuco: Designed for Sustainability

### Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to FCA Value Chain will be reported.



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## Our Business Model

FCA is an interconnected, global Group charting a reliable and sustainable path for the future through the shared commitment and expectations of our many stakeholders. FCA touches millions of lives on a daily basis, from our 229,000 employees, to the thousands of individuals who work for our dealers and suppliers, to the more than four million customers who, in 2014, bought our new vehicles in 150 countries worldwide. We create value through the improved livelihoods of our customers and employees, vitality among our communities, and financial return to our investors.

A crucial component of this value generation path is our ability to act with full awareness of the impacts of our products and processes. This is why we give such importance to transparency in how we conduct our activities and tell our sustainable story to stakeholders.

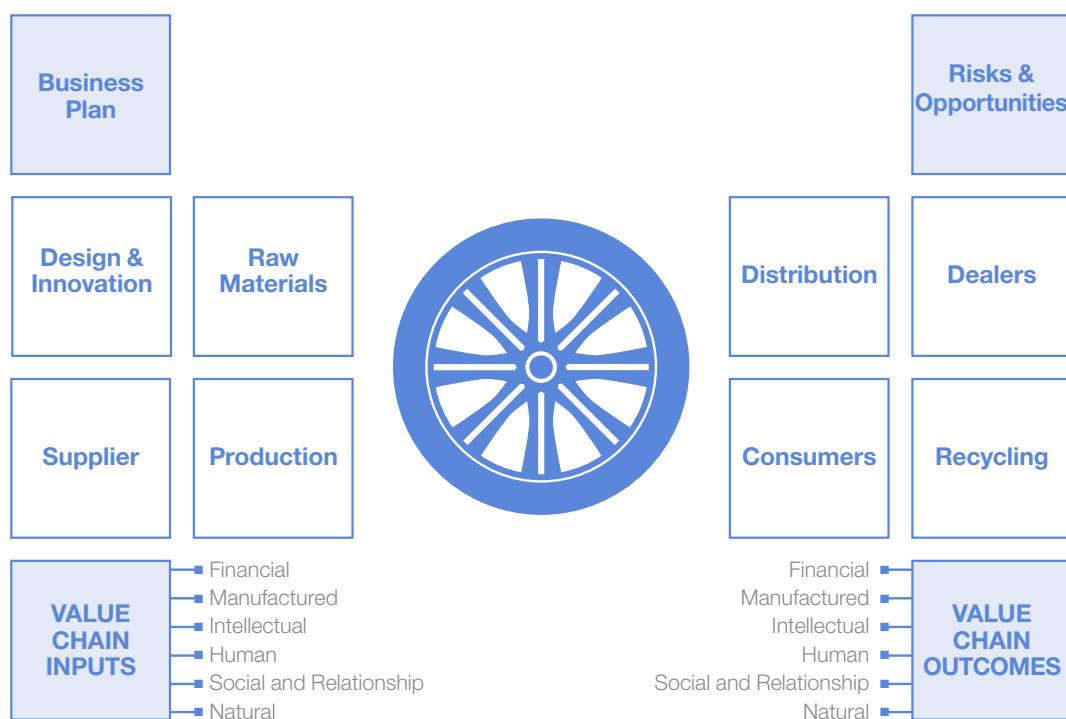
The table below provides a simplified view of our highly complex industry to illustrate how various capitals as inputs are converted through our business activities into outcomes, bringing value to our customers, to society and to the environment.

The relationship between inputs and outcomes is intended to show the interconnectivity of the Group's activities and is not cause-and-effect; several inputs can affect one single outcome or a single input may impact many outcomes.

Each stage of the value chain includes:

- description of main activities related to the stage and a link to the section on related FCA results
- list of potential direct or indirect impacts on various capitals and stakeholders related to that stage
- graphic highlighting the most material topics for that stage, as determined by our stakeholders.

The information is reported following recommendations of the Integrated Reporting framework and the G4 standard issued by the Global Reporting Initiative.



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## Business Plan

On May 6, 2014 FCA announced its 2014-2018 Business Plan based on the following pillars:

- execute on premium and luxury brand strategy by developing the Alfa Romeo and Maserati brands to service global markets
- develop brands to expand sales in markets throughout the world with particular focus on Jeep and Alfa Romeo brands
- expand vehicle sales in key markets throughout the world
- rationalize vehicle architectures and standardize components
- maintain cost efficiencies necessary to compete as a global automaker in the regions where FCA operates
- improve profitability.

To read more about the strategic initiatives designed to become a leading global automaker, please refer to the dedicated section in our [2014 Annual Report](#).

The Group indicates the following guidance for 2015<sup>(1)</sup>:

- worldwide shipments in 4.8 to 5.0 million unit range
- net revenues of ~€108 billion
- Net Income<sup>(2)</sup> in €1.0 to €1.2 billion range
- Net Industrial Debt in €7.5 billion to €8.0 billion range

## Risks & Opportunities

FCA daily deals both with general and automotive industry-specific risks and opportunities that may affect the Group's ability to create value over time.

To read more about risks and opportunities related to vehicle sales, global financial markets, the Group's integration, product recalls and others, please refer to the dedicated section in our [2014 Annual Report](#).

Additional comments on our risk management model, business continuity and insurable risks can also be found [here](#).

<sup>(1)</sup> Figures do not include any impacts for the announced capital transactions regarding Ferrari.

<sup>(2)</sup> Excluding eventual unusual items.

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## VALUE CHAIN INPUTS

Key figures that serve as input in generating value for our stakeholders. Depending on the nature of the input, data may either reflect the status at the end of the prior year (2013) or at the end of the year being reported (2014).

### Financial

GRI-G4 9



Financial capital consists of the financial resources available to FCA for use in the development, production and sale of quality vehicles that can successfully compete in an increasingly global market.

- Net Revenues: **€86.6 billion** (2013)
- Net Profit: **€1.95 billion** (2013)
- Net Industrial Debt: **€7.0 billion** (2013)
- Available Liquidity: **€22.7 billion<sup>(3)</sup>** (2013)
- Around **6%** of FCA **free float shares** held by Socially Responsible Investors<sup>(4)</sup>

### Manufactured

GRI-G4 9, EC7, EC8



Manufactured capital consists of FCA buildings, technology and other physical assets and the value of investments to maintain and upgrade those assets to the highest technical and quality standards.

- **165 manufacturing facilities** worldwide, and other properties (parts distribution centers, research laboratories, proving grounds, warehouses and office buildings)
- **€26.4 billion** of total carrying value of **FCA property**, plant and equipment assets
- Invested around **€2.3 billion** for the construction of **Pernambuco** plant (Brazil) and the upgrade of **Melfi** plant (Italy) for the production of all new models

<sup>(3)</sup> At December 31, 2013, recasted for the retrospective application of IFRS 11: Net Industrial Debt +€65 million, Total Available Liquidity +€6 million.  
<sup>(4)</sup> Source: Vigeo, 30 November 2012.

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## Intellectual

GRI-G4 9



Intellectual capital consists of knowledge-based assets such as systems and processes, patents and licenses, and other know-how developed by FCA over more than a century operating in the automotive sector.

- **8,521 patents** registered at 31 December 2013
- Approx. **€3.7 billion invested** in research and development activities
- **85** research and development centers with approx. **20,000** employees
- **Fiat S.p.A. and Chrysler Group LLC** alliance and industrial cooperation
- Continuous **research** on vehicle innovation, quality, safety, performance and eco-mobility
- **World Class Manufacturing** program adopted in 2006
- **Employee suggestions** for improvement collected worldwide

## Human

GRI-G4 9, LA9, LA10, LA11



FCA human capital consists of all individuals worldwide who dedicate themselves on a daily basis to achieving the organization's objectives and creating sustainable long-term value for stakeholders.

- **225,587 employees** at 31 December 2013
- €66 million invested in **training and development**
- **60,700 employees evaluated** globally through the Performance Leadership Management evaluation process (managers, professional and salaried), **+11%** vs 2013
- **€230 million** invested for improvement to **Safety** and **Working Conditions** and to employee health, equivalent to 2.3% of annual personnel costs
- **Health and Safety certification** (OHSAS) in place at **134 plants**, covering 170,000 employees

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## Social and Relationship

GRI-G4 EC8, EN32, EN33, LA14, HR10, SO9



Social and relationship capital consists of the network of relationships based on mutual dialogue that FCA has with internal and external stakeholders, including suppliers, business partners, distributors, dealers, customers, media, investors, public institutions and authorities, regulatory agencies, schools, universities and local communities.

- More than **300 employees** engaged through **14 sustainability-focused events** conducted in EMEA, NAFTA and APAC regions.
- **131 sustainability targets** updated and communicated to stakeholders
- Open **dialogue** with international institutions, associations and partners on a global scale
- **4.35 million customers** bought a new FCA vehicle (2013)
- Approx. **8,580 distribution relationships** (dealers and distributors) in over **150 countries**
- **27 Customer Contact Centers worldwide, 31 languages** spoken, more than **1,100 agents**
- **€53.4 billion** in purchases from **3,127 direct material suppliers**
- Sustainability Self-Assessment Survey completed by **626 suppliers**
- More than **€24 million** donated to local communities, of which **53%** to support education, culture and art

## Natural

GRI-G4 9, EN1, EN2, EN3, EN5, EN8



Natural capital consists of resources, either physical or not, required by FCA to conduct its activities and manufacture its products.

- Approx. **48.6 million GJ** of energy consumed at Group plants worldwide
- **20.4%** of electricity coming from renewable sources
- **6.01 GJ** of energy consumed per vehicle produced
- **24.7 million m<sup>3</sup>** of water consumed (withdrawal) at Group plants worldwide
- **3.16 m<sup>3</sup>** of water consumed per vehicle produced
- Average of **1,391.4 kg** of materials used per vehicle in Europe, of which **589.4 kg** are recycled materials

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## VALUE CHAIN OUTCOMES

Key figures that serve as outcomes in generating value to our stakeholders. Data reflect the status as at 31 December 2014, unless stated otherwise.

### Financial

GRI-G4 9



Financial capital generated, through the sale of Group products, enables FCA to strengthen its global market position and invest to increase the value of the other capitals.

- Net Revenues: **€96.1 billion** (2014), **+11%** vs previous year
- Net Profit: **€632 million** (2014)
- Net Industrial Debt: **€7.7 billion** (2014)
- Available Liquidity: **€26.2 billion** (2014)
- January 2014, acquisition of the remaining **41.5%** interest in Chrysler and **establishment of FCA** in October
- About **6.3%<sup>(5)</sup>** of FCA **free float shares** held by Social Responsible Investors, **+22%** vs 2010

### Manufactured

GRI-G4 9, EC8



FCA increases its manufactured capital by developing its global presence and increasing production capacity through modernization of existing plants and construction of new plants.

- Upgraded **Melfi** plant (Italy) began production of the all-new Jeep Renegade and Fiat 500X in 2014
- New **Pernambuco** plant (Brazil) completed to start production of the all-new Jeep Renegade in 2015

<sup>(5)</sup> Source: Vigeo, 30 November 2013.

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## Intellectual

GRI-G4 9



To attain leadership in the highly-competitive, technology-driven auto sector, FCA continuously develops its intellectual capital to drive sustainable transformation of its products and processes.

- **596 new patents** and **294 new design rights** registered in 2014
- **+7% employees in R&D** vs 2013
  - New R&D center inaugurated at Recife (Brazil)
  - Development of integrated execution strategies and **common flexible architectures**, including Small Wide platform (Jeep Renegade and 500X) and standardized parts and components
  - Numerous **product recognitions** in 2014, including:
    - 3.0L TurboDiesel V-6 included among 2015 Ward's 10 Best Engines
    - Jeep Renegade awarded Euro NCAP 5 Stars
    - Chrysler 200 FWD, Dodge Challenger, Dodge Dart and Jeep Grand Cherokee 4WD awarded U.S. NCAP 5 Stars
    - Chrysler 200 earned Top Safety Pick+ from the IIHS
    - Fiat Ottimo awarded China NCAP 5 Stars
    - Maserati Ghibli awarded Australasian NCAP 5 Stars
- **54 facilities with World Class Manufacturing certification** (4 Gold level, 12 Silver and 38 Bronze)
- Employee engagement demonstrated through more than **2 million WCM suggestions**
- More than **15,000 suggestions received** from employees through BIS program, iPropose initiative and Innovation Idea Submission Database. Adoption of best suggestions collected by iPropose has generated estimated cost savings of approximately €40 million

## Human

GRI-G4 9, LA1, LA9



FCA regards proper recognition and development of human capital as fundamental to the long-term success of the organization. Excellence is heavily dependent on factors such as diversity, professional experience and know-how, and a healthy and safe work environment.

- **228,690 employees, +1.4%** vs 2013
- **4.2 million hours** of **training** worldwide
- Empowered individuals offered **professional opportunities** that allow them to gain experience in other geographic or business areas
- Well-being initiatives of the **Health Promotion Program** implemented at selected locations
- **Accident indicators improved**, with decreases of **21%** in the Frequency rate and **16.7%** in the Severity rate vs 2013
- **Safety** record responsible for savings of **€67 million** in state accident premiums in Italy since 2011
- Establishment of **Environment, Health and Safety Leadership Awards**, which are open to all FCA employees and contractors

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## Social and Relationship

GRI-G4 9, EC8



FCA's continuous dialogue with all categories of stakeholders enriches its social and relationship capital and is essential to identifying current and future trends that can influence the choices of the Group itself, as well as consumers, business partners, lawmakers and regulators, etc.

- Results of sustainability-focused stakeholder engagement process used to update the Materiality Diagram and extend engagement to other countries
- FCA recognized as a leader for its sustainability commitment and performance. FCA included in the prestigious **Dow Jones Sustainability World Index**, as well as the **CDP Climate Disclosure Leadership Index (Italy 100)** and Climate Performance Leadership Index (A list)
- FCA is an **Official Global Partner for Expo Milano 2015** and supplier of official fleet of **71 natural gas** and **10 electric** powered **vehicles**
- Customer recognition of brand value demonstrated by increasing sales volumes: shipments up **6%** vs 2013
- **Alfa Romeo** returned to the **U.S. market** after an absence of some 20 years
- Over **11 million customer contacts** managed by our Customer Contact Centers
- **Key suppliers** accounted for roughly **59%** of total purchase value
- Approx. **300 ideas** were implemented by suppliers in NAFTA, EMEA and LATAM regions, allowing to share economic benefits for approx. **€43 million**
- Supported several initiatives worldwide for development of local communities, **2,736 scholarships** awarded and partnerships with universities, research institutes and public institutions

## Natural

GRI-G4 9, EN10, EN19, EN22, EN23



FCA acts to minimize any potentially negative impact of its activities on natural capital by adopting the best technologies and processes, reducing consumption of natural resources, mitigating supplier-related risks and, in general, applying the highest international standards and best practice.

- **4.3 million tons CO<sub>2</sub>** emissions at Group plants, **a decrease of 2.3%** vs 2010 despite a 22.8% increase in production volumes
- 0.9 million cumulative tons of CO<sub>2</sub> emissions avoided since 2010 through a **20.5% decrease in emissions per vehicle produced**
- **16.3 million m<sup>3</sup> of water discharged** at Group plants worldwide
- **3.3 billion m<sup>3</sup> of water saved** at Group plants worldwide with recycling index of 99.3%
- **1.7 million tons** in total **waste generated** at Group plants worldwide, of which **16.9% sent to landfill** and **80.6% recovered**
- **64.6% reduction** vs 2010 in **hazardous waste** per vehicle produced at Group plants
- Approx. **3,700 environmental projects** implemented under the WCM program, leading to a significant reduction (3,300 TJ) in energy consumption compared with 2013 and resulting in **0.3 million tons of CO<sub>2</sub> emissions avoided** and **€54 million in costs saved**
- Exceeded the EU's 80% target for **reuse/recycling of vehicle materials** at end-of-life
- More than **20,000 tons of tires recycled** at end-of-life in Italy

## Design & Innovation

### Activities



This stage includes the research, development and design activities conducted with respect to both products and processes within the Group. Innovative approaches to vehicle efficiency, safety and quality combine with processes that reduce waste of all kind throughout the value chain.

[Read more >](#)

### Impacts

GRI-G4 EC8, SO2



- Innovation in products and processes
- Customer safety during driving experience
- Vehicle fuel economy and CO<sub>2</sub> emissions
- Vehicle quality
- Customer satisfaction and loyalty
- Product competitiveness and reputation
- Brand perception and value
- Vehicle material composition and end-of-life
- Greenhouse gas emissions and natural resource consumption in production processes
- Employee health and safety in production processes

### Material Topics



■ Product ▲ Environment ● Social



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## Activities



This stage covers the extraction of raw materials that are subsequently processed and transformed to manufacture our vehicles.

[Read more >](#)

## Impacts

GRI-G4 EC8, SO2

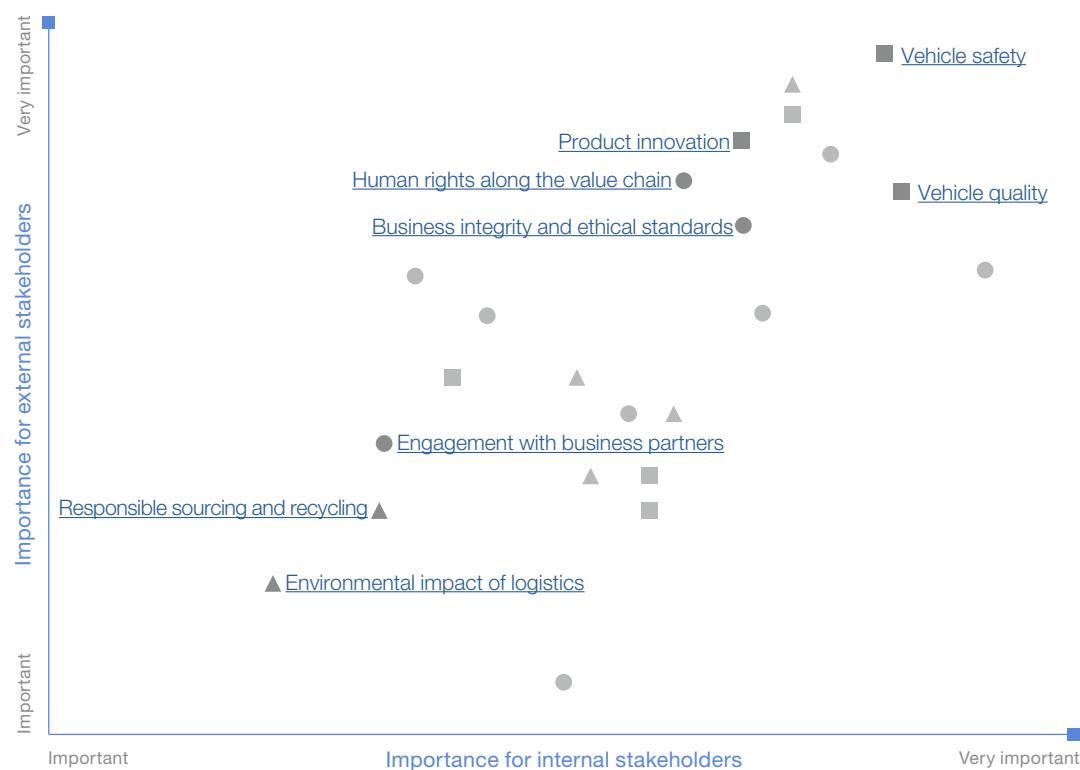


- Indirect environmental impacts from extraction and material sourcing operations
- Indirect social impacts on communities near the extraction site
- External stakeholder perception due to raw material provision
- International standards and regulatory compliance
- Indirect employment in third parties' operations
- Local revenue for business partners and communities where FCA operates

## Material Topics



■ Product ▲ Environment ● Social





## Activities



### Suppliers

This stage includes the operations suppliers perform to provide FCA with the parts, components and services necessary for the production of Group vehicles.

[Read more >](#)

## Impacts

GRI-G4 EC8, SO2



- Indirect employment in third parties' operations
- Local revenue for business partners and communities where FCA operates
- Indirect emissions and natural resources consumption
- Working conditions for third party employees
- Innovation on components and processes
- Technological sharing among regions and industries

## Material Topics



■ Product ▲ Environment ● Social



This content was subject to assurance by SGS Nederland B.V. (27 March 2015)

## Production

### Activities



This stage includes all activities at Group plants which transform parts and components into finished vehicles.

[Read more >](#)

### Impacts

GRI-G4 EC8, SO2

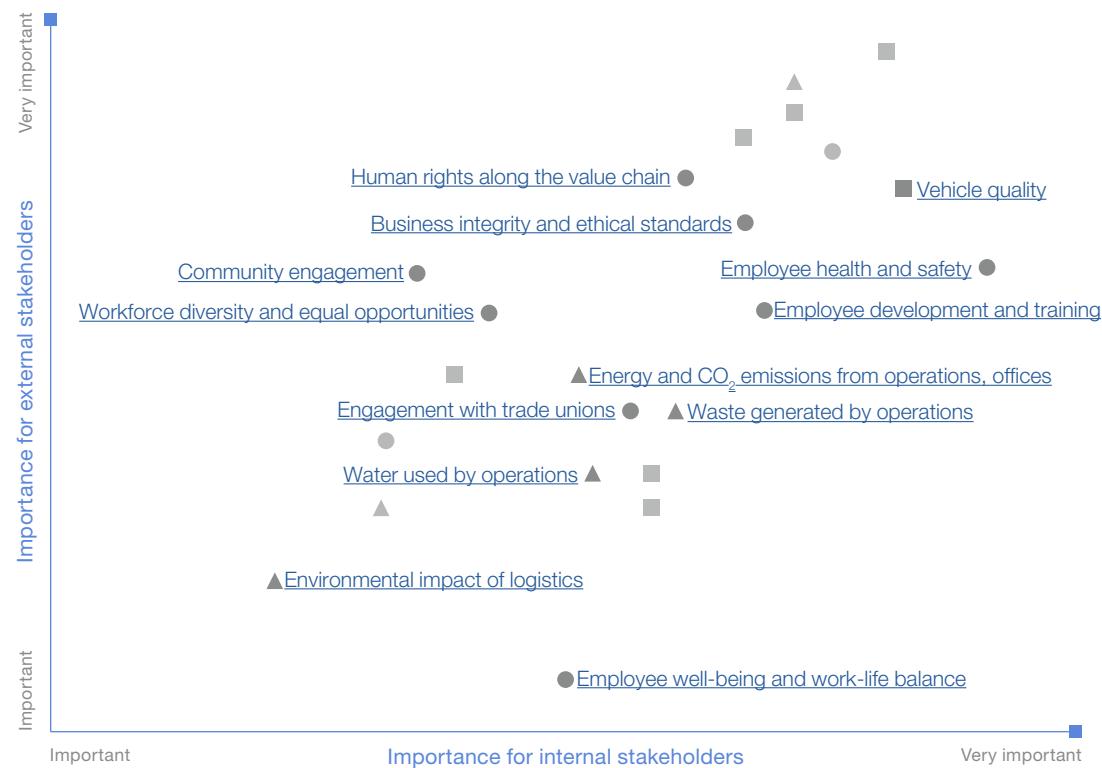


- Direct employment
- Local revenue for communities where FCA operates
- Employee development through training
- Employee working conditions
- Emissions and natural resources due to direct operations
- Process innovation
- Technological and know-how sharing across regions, Group companies and working teams
- Respect of required product safety and quality standards

### Material Topics



■ Product ▲ Environment ● Social



## Distribution

### Activities



This stage includes transport, storage and distribution operations of raw materials and components to plants, and finished vehicles from the production site to dealerships before reaching the final customer.

[Read more >](#)

### Impacts

GRI-G4 EC8, SO2

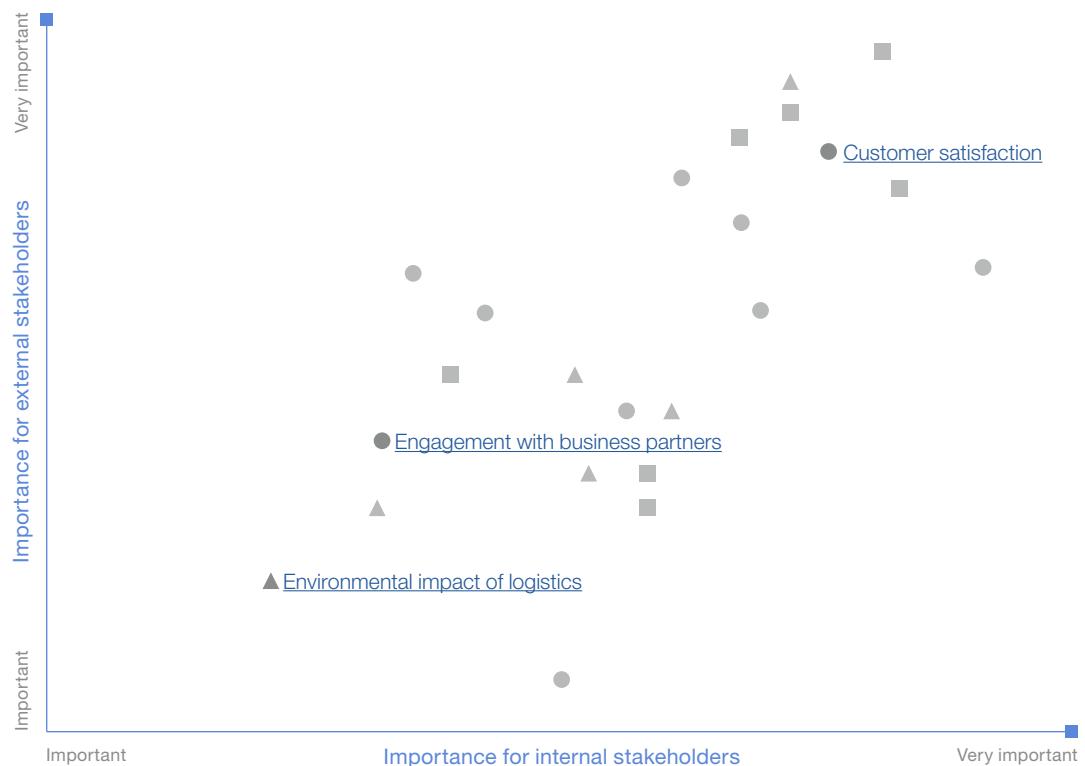


- Indirect employment
- Local revenue for business partners and communities
- Fuel consumption and greenhouse gas emissions
- Social impacts on traffic and road safety
- Production continuity
- Vehicle delivery to customers

### Material Topics



■ Product ▲ Environment ● Social



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## Activities



### Dealers

This stage includes the activities that take place in the dealerships, from customer welcome, to sale and delivery of vehicles and after-sales technical assistance.

[Read more >](#)

## Impacts

GRI-G4 EC8, SO2



- Indirect employment
- Local revenue for business partners and communities
- Product competitiveness
- Customer satisfaction and loyalty
- Brand perception and value
- Sales and profitability

## Material Topics



■ Product ▲ Environment ● Social



## Consumers

## Activities



This stage relates to the use phase of our vehicles by consumers around the world.

[Read more >](#)

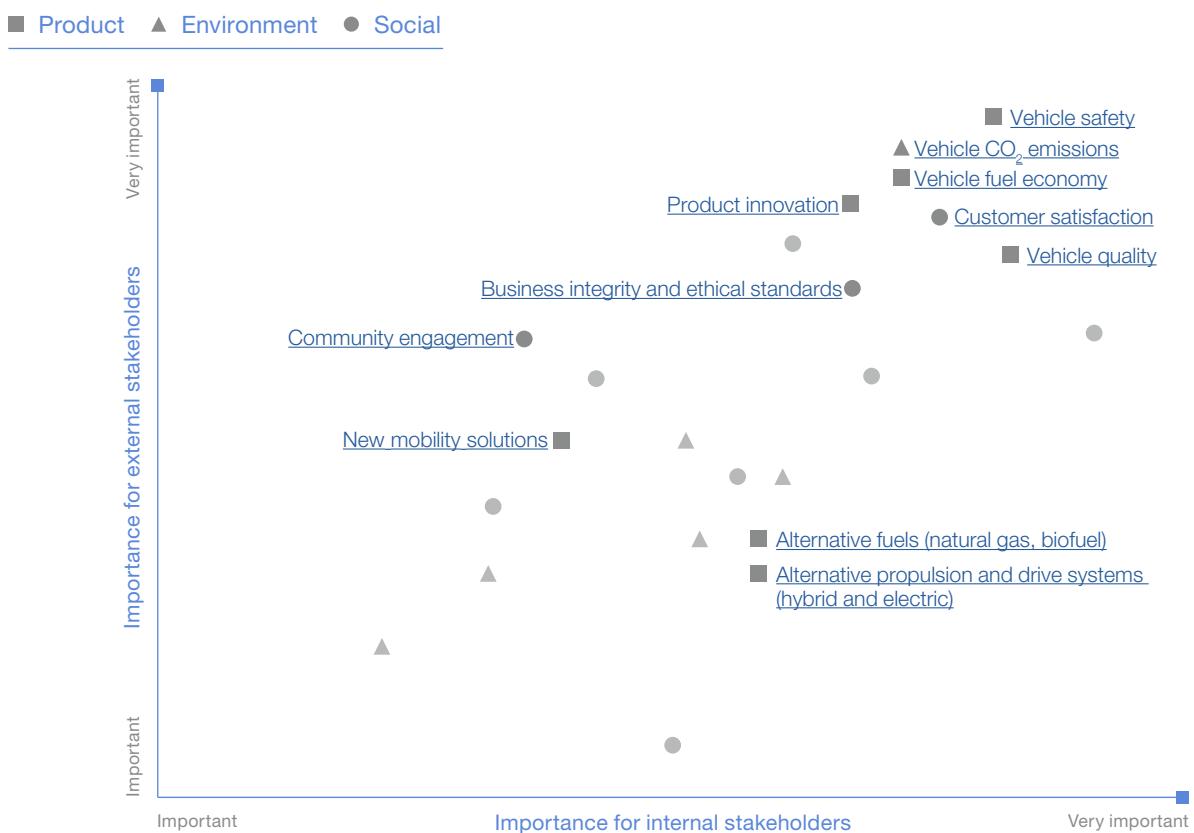
## Impacts

GRI-G4 EC8, SO2



- Social impacts on traffic, road safety and freedom of mobility
  - Vehicle fuel consumption and emissions
  - Customer satisfaction
  - Brand reputation and value

## Material Topics



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### Activities



#### Recycling

This stage includes operations for the disposal of vehicles at the end of their useful life.

[Read more >](#)

### Impacts

GRI-G4 EC8, SO2

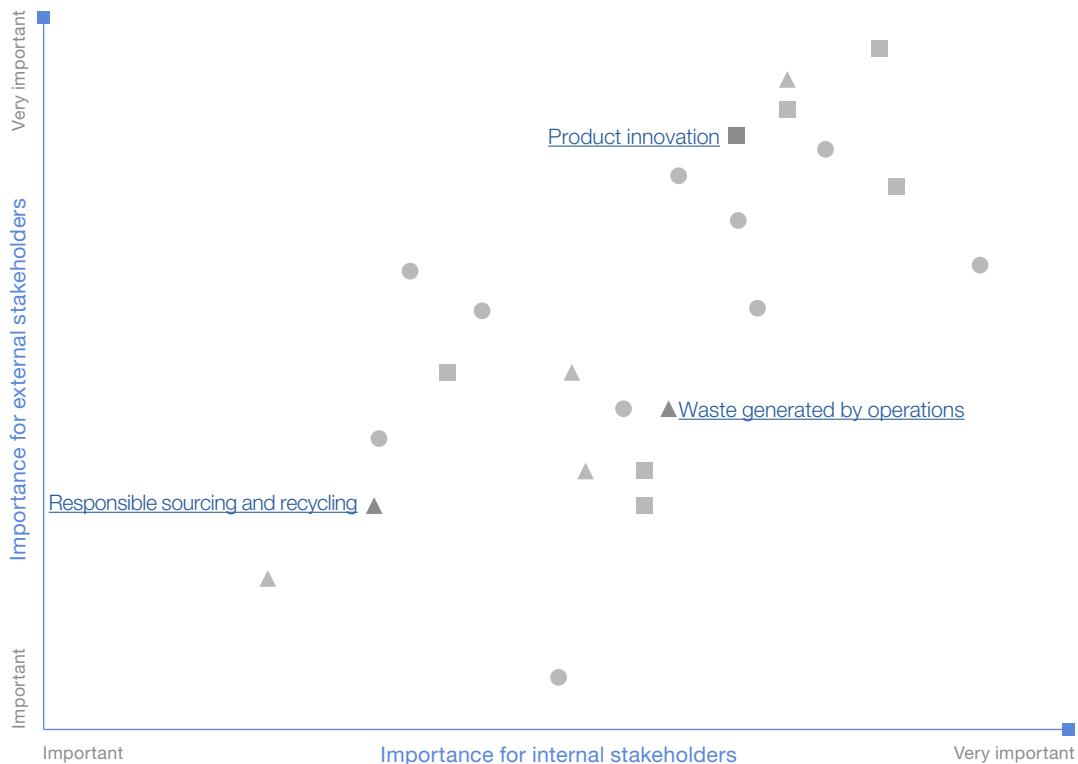


- Sourcing of raw materials
- Access to critical raw materials
- Natural resource scarcity
- Environmental impacts of vehicle end-of-life: waste generation, dismantling, recycling and disposal management

### Material Topics



■ Product ▲ Environment ● Social



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## Melfi: the Rebirth of a Responsible Plant

As part of its global strategy to offer competitive products that meet the needs and expectations of customers around the world, FCA has **invested more than €1 billion to upgrade** the assembly plant in Melfi (Italy) to a state-of-the-art facility where two of its newest models are being produced for export to more than 100 markets worldwide.

When the plant opened in 1994, it produced just one model, the Fiat Punto (followed by the addition of period production of the Lancia Ypsilon), and served just one market, Europe. Today, following completion of the restructuring work initiated in 2013, the plant is now a world-class facility that produces the Jeep Renegade and Fiat 500X. These vehicles represent FCA's entry into the rapidly expanding small SUV segment.

The small, light SUV has the urbane look and off-road capability characteristic of a Jeep. The new Fiat 500X crossover, introduced at the 2014 Paris Motor Show, combines Fiat brand style with true Italian performance, power and technology. Both models are produced on a **flexible platform** that enables production of a wide range of configurations (engine, transmission and other features) to meet the **specific requirements of each market**.



### Melfi Plant in numbers

More than  
**453,000 m<sup>2</sup>**  
surface area

**2,000**  
vehicles produced  
every day

**3 models**  
Jeep Renegade,  
Fiat 500x and Fiat Punto

**100**  
export markets

**600**  
new robots installed

**8**  
anti-error devices  
per workstation

Approximately  
**6,000**  
employees,  
and 1,500  
new hires in 2015

**1 mn**  
training hours provided

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## Technology and Innovation



The first step in the Melfi project was to establish a **Work Place Integration process** using virtual simulation to analyze workstation efficiency and ergonomics and develop optimized processes before a single vehicle was built. This enabled a significant reduction in both costs and time to start-up. The second step focused on physical simulation, including creation of a simulated work environment (i.e., sections of the assembly line in “miniature”), that was used for hands-on training prior to the production launch.

For a period of several months, the plant was turned into a **training lab**, where assembly line workers and other plant employees were given more than a million hours of both theoretical and hands-on training, including a series of team-building exercises that were essential to the success of the entire relaunch program at Melfi.

In addition to these people-focused initiatives, the plant was equipped with the latest production technologies and organized according to the principles of **World Class Manufacturing**. Production processes were redesigned to accommodate the modular **Small Wide platform**, which by virtue of its flexibility can be readily adapted for production of models with varying specifications that conform to different consumer preferences and regulatory requirements in multiple markets. As a result, the Melfi plant can produce vehicles that are “export ready,” meaning that no additional modifications are necessary before the vehicle can be sold in the country of destination.

The plant has a total production capacity, based on three shifts, of around 2,000 vehicles per day.

The plant's numerous innovative features include new panel and body welding lines, a new world-class paint shop and some 600 new robots installed.

Significant improvements were also introduced on the assembly line to ensure the **highest ergonomic and quality standards**. Examples include a conveyor system that rotates nearly 90 degrees to provide easier access to the vehicle undercarriage during assembly and the introduction of sliders that can deliver assembly line workers inside a vehicle, while seated. In addition, each workstation is equipped with a touch screen where workers can log activities completed and submit suggestions for improvement.

At each workstation, there is a team of seven operators that alternate tasks under the coordination of a team leader, and eight anti-error devices that automatically stop the assembly line when an abnormality is detected. These anti-error devices are an important part of the overall system of quality assurance, as is the plant's state-of-the-art metrology center. **The metrology center** is equipped with **3D laser scanners** and other equipment for precision measurement and inspection of everything, from incoming parts to assemblies and finished vehicles.

## Efficient, Low Environmental Impact Processes



**Eighteen strategic suppliers** including logistics operators (around 2,700 workers), located close to the Melfi plant provide materials directly when required, eliminating the need to maintain large inventories on-site. This meets some **75%** of the plant's **component requirements**, optimizing the logistics flow through just-in-time delivery.

Logistics have been optimized to maximize inbound flows of parts and materials and, internally, components are delivered to each station on the assembly line as needed to avoid any accumulation of materials on the plant floor.

A review of the amount and type of packaging used for inbound supplies led to a reduction in the use of raw materials and, as a result, the volume of waste generated. For example, protective plastic sheets for many parts were reduced in size, the number of parts per cardboard container was increased and, where possible, the thickness of boxes and packaging materials was reduced.

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Numerous best practices have been introduced at the Melfi plant to make it a model of sustainable integration between industry, the community and the environment. For example, heat from operation of a trigenerator plant is reused to heat and cool fluids and mini wind/photovoltaic hybrid generators have been installed to meet a portion of the offices' energy requirements. These measures, in addition to efficient energy management practices at the plant (ISO 14001 certified since 2001; ISO 50001 certified since 2011) have resulted in a **37% reduction in CO<sub>2</sub> emitted** per vehicle produced (2014 vs 2009).

**Water consumption** per vehicle produced was **down 43% compared with 2009** as a result of measures that enable regular monitoring of the water network to prevent leakage and a decrease in the amount of water used in painting processes. In addition, **waste management initiatives** were implemented to improve and standardize the waste separation process, **resulting in 93.5% of waste** being recovered and zero waste to landfill in 2014.

## People and Environment



FCA also participated in the *Adopt a garden* project, a joint initiative of the City of Melfi and companies located in the area's industrial zone. Through this project, a fund was established for the conservation of green areas within the complex and **protection of biodiversity** in the surrounding area.

Contributing to the well-being of employees - and, more generally, the local community - is a major long-term commitment at Melfi. Along with many other Group plants, it participates in several initiatives of the **Health Promotion Program** launched by FCA in 2013. In addition, the plant has a range of health and safety initiatives in place and is OHSAS certified.

A number of events were organized to celebrate the reopening of the plant, the highlight of which was a Family Day for employees. Another initiative designed to give local residents a more "up close and personal" view of the plant's activities was the *Factory Tour*. This mobile exhibit featured mounted displays and videos projected on a large screen with employees telling the story behind the new plant, the technologies used and the sustainability practices adopted.

Melfi has been transformed into the **largest and most advanced automotive plant in Italy**. There are currently around 6,000 employees working at the plant and that number will shortly increase to 7,500. The revamp has also had **positive repercussions** for local suppliers, prompting the City of Melfi, for example, to offer tax incentives to individuals hired by a local company.

The relaunch project also resulted in many synergies with other areas of the Group being leveraged. The assembly line workstations were studied together with teams from the Mirafiori plant to isolate and eliminate any potential causes of defects. Workers from the Pernambuco plant, which will produce the Jeep Renegade for the Latin American market, came to Melfi for training on the new assembly line.

The resources and energy dedicated to the relaunch of the Melfi plant have made it **a model to be followed** at Group plants elsewhere around the world.

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## Pernambuco: Designed for Sustainability

Latin America has been a key market for the Group for nearly four decades. In 1976, the Group opened its first plant in Brazil, the region's largest market, and since then has established itself as the market leader. In 2012, FCA began construction of a new plant in Goiana (State of Pernambuco). Scheduled to begin operating in March 2015, Pernambuco is the Group's most technologically-advanced and sustainable plant worldwide. The project was launched with commitment for an initial investment of €1.3 billion and further investment is planned through 2016. This project represents a strategic investment for FCA and the State of Pernambuco, and forms part of a comprehensive program of industrialization being implemented by the government to support economic and social development for the entire region.

Pernambuco has been designed as a highly-integrated automotive hub, consisting of the main plant - operating under World Class Manufacturing standards - in addition to an research and development center, training center, proving ground and on-site supplier park.

Local production of the new Jeep Renegade will help strengthen and differentiate the Group's product offering in Brazil with attractive vehicles that deliver world-class quality and environmental performance. In addition, the plant will generate efficiencies and reduce overhead costs by utilizing global platforms and optimizing its environmental footprint.



### Pernambuco in numbers

More than  
**260,000 m<sup>2</sup>**  
surface area

**250,000**  
vehicles produced  
per year

Production launch with  
**Jeep Renegade**

**2 additional**  
models to follow  
in 2015 and 2016

**about 600**  
new robots installed

**1,000**  
employees at start  
of operations

More than  
**3,000**  
employees by  
the end of 2016

Investment in  
local R&D =  
**2%**  
of FCA revenues  
in Brazil

**70%**  
of parts and equipment  
sourced in Brazil

**On-site**  
R&D facility

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## Technology and Innovation



The plant has a unique layout that was designed to enable rapid decision-making and efficient sharing of know-how and best practices.

More than 15,000 World Class Manufacturing suggestions were leveraged to optimize logistics flows and ensure the highest quality standards for the vehicles produced.

The work flow is organized according to the “team leader” model adopted at other Group plants, where team members - who are trained for multiple tasks - are rotated daily between various workstations. This approach has proven highly successful in motivating and optimizing the performance of each member of the team.

The Communication Center - which includes a Metrology Center and a Simulation Room - is the central hub of the plant through which all vehicles pass after each major phase of production. The Center is responsible for:

- quality of components from suppliers
- quality of finished vehicles
- leadership and operational training for new workers.

The plant has been designed to accommodate the modular Small Wide platform, which by virtue of its flexibility, can be readily adapted for production of models with varying specifications that conform to different consumer preferences and regulatory requirements, meaning that no additional modifications are necessary before the vehicle can be sold in the country of destination. By leveraging this flexibility for production of the Renegade, the Jeep brand will be able to compete in the Small SUV segment at the global level. As such, the Pernambuco plant will make an important contribution to the fulfillment of Jeep’s global development strategy. In 2014, the Jeep brand posted an all-time annual sales record of more than one million vehicles sold worldwide. With the contribution of the Jeep Renegade produced in Melfi (Italy) and Pernambuco (Brazil), 2015 promises to be another landmark year for the brand.

One particular example of advanced production methods adopted at the plant is the Butterfly system developed by Comau, where multiple lines assemble subgroups before the full body shell is formed. The flexibility provided by this system plays a major role because, at full capacity, up to three different models will be manufactured at the plant.

The Pernambuco Plant also plays a major role in FCA’s innovation and engineering activities. The research and development (R&D) center in Recife, just 60 kilometers away, plays a key support role for the plant’s production and innovation activities, including testing for homologation and experimental testing at the center’s proving ground.

Once fully operational, the R&D center may potentially employ up to 500 engineers, researchers and technicians.

It will have a strategic role for the region, as well as becoming more fully integrated with the Group’s global R&D network.

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## Working with Our Partners



The operating model at the plant is also based on the major role played by the Group's key suppliers. Next to the main plant is a 270,000 square meter integrated supplier park that hosts a total of 16 key suppliers with 17 lines of components on-site. This enables a high level of vertical integration and meets some 40% of the plant's components requirements, optimizing the logistics flow and reducing the need for large inventories through just-in-time delivery. Around 1,000 workers were employed in the construction of the supplier park and a further 1,000 jobs have been created with suppliers located on the site. This will increase to around 4,000 jobs once the plant begins operation.

## Efficiency and Respect for the Environment



The advanced production methodologies, processes and logistics at Pernambuco are designed to ensure maximum efficiency and minimum environmental impacts.

As at all other FCA plants worldwide, the key performance indicators monitored cover environmental as well as industrial performance.

The Pernambuco Plant applies the principles of World Class Manufacturing, first adopted by the Group in 2006 and currently applied at around 97%<sup>(6)</sup> of FCA plants. The primary objectives of WCM are to eliminate waste, increase productivity and improve working conditions through a process of continuous improvement in which everyone in the organization plays an active role.

Despite having opened just this year, Pernambuco is already targeting WCM Silver Level, a significant starting point which only 10% of Group plants have achieved so far.

As a result of its advanced systems and responsible energy management, the plant's environmental performance targets are already in line with the Group's global targets:

- water recycling index of at least 95%
- high waste recycling index, aiming at zero waste to landfill
- minimization of energy consumption through advanced technological solutions.

One example of the plant's energy efficiency is the high-efficiency paint shop. Painting is one of the most energy intensive processes for automakers. A primer-less solution was adopted at the new plant which, through the removal of one step in the painting process, delivers significant energy savings without compromising quality.

This solution is also more space efficient and, therefore, offers additional benefits in terms of energy savings.

Another feature of the plant is the care that has been taken to protect the surrounding eco-system, including preservation of the local plant life during construction of the complex.

A study completed in partnership with the local university has served as the basis for an initiative to protect local biodiversity. Under this initiative, 130,000 trees will ultimately be planted at the complex, including 250 of the more than 600 indigenous species. To date, 38,000 trees have been planted near the plant. A nursery for seedlings has also been created. The nursery will generate around 22,000 new trees every three months. These trees will be planted by local students during plant visits, to teach them about the importance of biodiversity conservation and natural heritage.

<sup>(6)</sup> Percentage based on the total manufacturing cost base.

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## The Local Community



In addition to engagement to strengthen relationships with local stakeholders, FCA also actively supports initiatives that encourage the development and self-sufficiency of communities surrounding its plants.

From the very beginning, the Pernambuco project has had a major positive impact on the local economy, which was primarily dependent on sugar cane cultivation.

When construction began, FCA worked with state and local authorities to ensure priority was given to hiring local residents. More than 10,000 people were hired during the initial phase of construction, of which 70% were from communities in and around the local area.

The new jobs created at the site are not only on the production line but also include management, accounting, engineering and a variety of other opportunities that offer very competitive salaries.

To acquire the necessary skills, local workers, many of whom have traditionally worked in the agricultural sector, attended training courses provided by the Brazilian government. FCA also established an international program through which more than 200 employees had the opportunity for on-the-job training at Group sites in Italy (Melfi), Serbia and the United States.

In another learning initiative associated with the new activities at Pernambuco, 20 Brazilian engineering students were given the opportunity of an international study experience at the Politecnico di Torino in Italy. Following completion of their studies at the end of 2014, the students were offered positions with FCA in Brazil.

FCA has also signed an agreement with SENAI Automotive College, a technical college that will train highly-skilled workers for the new site.

The Group has also established a variety of health and well-being initiatives for plant employees and their families.

FCA - an Official Global Partner of Expo Milano 2015 - has established a number of initiatives tailored to the needs of local employees that are focused on themes such as healthy eating and physical/mental well-being. At the Pernambuco plant, in particular, those initiatives address the prevention of diseases such as diabetes and high blood pressure, which are common in Brazil.

In partnership with the Fiat Foundation, a health and nutrition program (*Programa Nutrição e Saúde*) was established for plant employees that offers them the opportunity to reevaluate their eating habits and better understand the impact diet can have on their overall quality of life. Increasing awareness of dietary issues not only helps employees control their own weight and prevent related illnesses, but can also encourage the adoption of more health-conscious eating habits by their families.

As part of the program, employees are provided a screening by a team of nutritionists who, during a 50 minute one-on-one consultation, develop a personalized diet and nutrition plan for the employee. Employee cafeterias at the plant also offer a variety of food choices to help promote a more balanced diet. The target for the program, which runs until June 2015, is to reach a total of at least 400 employees aged 19 to 63.

The Group also contributed to the construction of a local hospital, managed by the national health service, which will not only benefit employees but also improve the level of public health services available to local residents.

In all aspects, the Pernambuco plant, following in the footsteps of the Melfi project, represents a new model for Group plants worldwide in terms of standards of excellence, quality and responsibility.

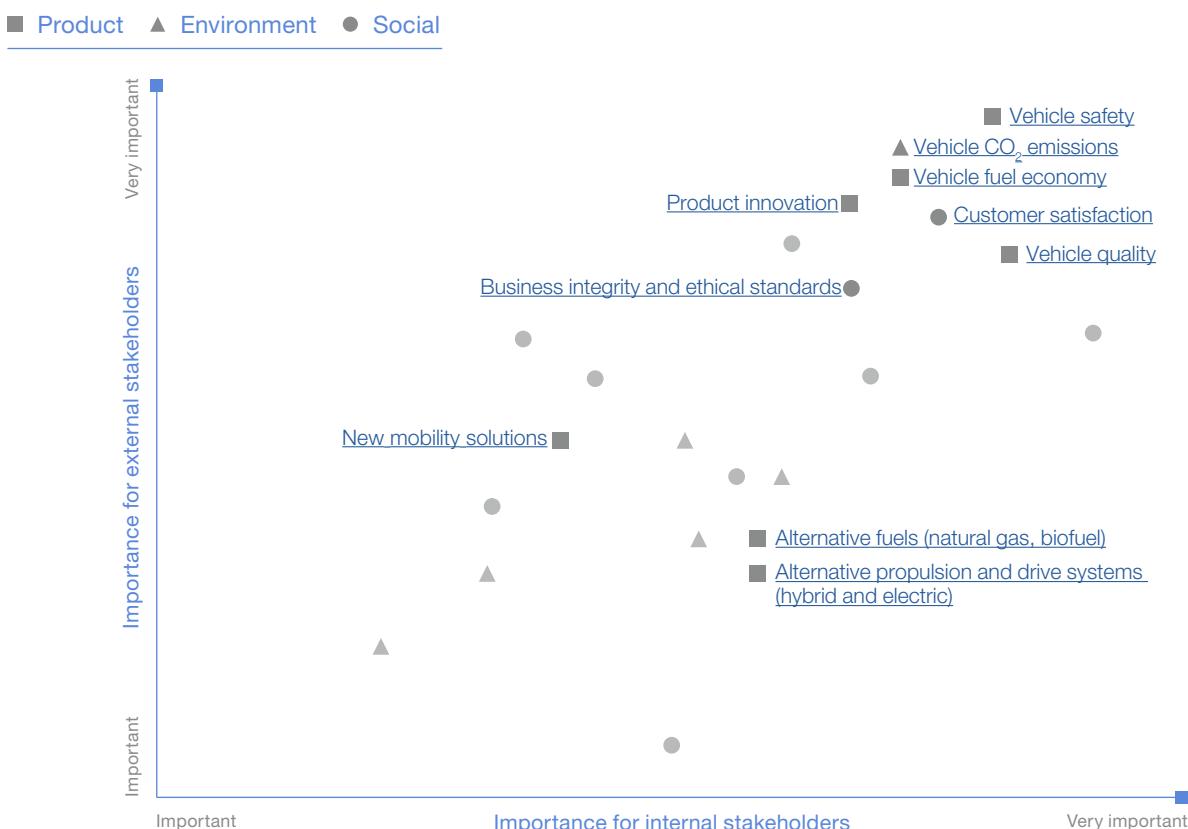
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## Customers

- Customer Overview
  - Vehicle Quality
  - Vehicle Safety
  - Customer Experience
- ▲ Sustainability Plan

### Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Customers will be reported.



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## Customer Overview

The results of the sustainability-focused Stakeholder Engagement events held in Italy, China and the U.S. during 2014 confirmed that customer satisfaction ranks alongside vehicle safety and vehicle quality as one of the most material aspects. FCA engages with consumers in a variety of ways and the responsibility is shared by different areas within the organization. We strive to address the needs of a wide range of customers, including those with special needs. Regardless of the type of interaction, the relationship with the customer is handled with honesty, integrity and transparency, as set out in the Code of Conduct and other relevant policies and guidelines.

We take the obligation to inform customers about the proper use of our products and services, including potential risks or hazards, very seriously and significant resources are dedicated to ensuring manuals, labels and advertising are available and distributed or communicated through our dealer and service networks, Customer Contact Centers and Group websites.

Our vision and commitment for increasingly sustainable mobility - responding to the mobility needs of consumers while offering them peace of mind - is behind our continuous improvements in vehicle safety and quality.

The Group monitors customer expectations and satisfaction along the entire value chain: from the pre-purchase experience, to the point of sale and after-sales support and service.

In addition to satisfaction with the vehicle, the Customer Feedback program also measures how satisfied customers are with the sales experience and after-sales service and repair, as well as how likely they are to recommend our dealers and brands to family and friends. The results of the feedback are integrated into our development and process decisions.

## Vehicle Quality

Producing **high quality vehicles** is central to FCA's goal of earning and maintaining the trust and loyalty of customers. Our reputation for quality is a key driver of brand image, which in turn affects the value and appeal of our products and our ability to succeed in an extremely competitive global market. It is easy to lose the trust of customers if their expectations are not met and that is why delivering on those expectations - by not only maintaining our high standards, but continually improving them - will always be a top priority for our Group.

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## Managing Quality

Consistent with the critical importance of the role, the Head of Quality reports directly to the Group CEO and is also a member of the Group Executive Council, the highest decision-making body outside of the Board of Directors. He is responsible for ensuring consistency and rigor across the four FCA operating regions (EMEA, NAFTA, LATAM and APAC). The quality departments for each region report to both the Head of Quality and the respective regional Chief Operating Officer.

More than 50,000 people “touch” some aspect of every vehicle, from raw material production to final delivery, and approximately 2,500 standard vehicle characteristics are measured during the manufacturing process. High priority is given to sharing our quality vision and targets with everyone in the extended organization, which includes not only employees, but also our suppliers, dealers and other business partners.

For every vehicle we make, quality considerations from customer expectations to functional requirements are addressed from the earliest stages of design. The validation process begins with virtual simulations that not only enable optimization of the design earlier in the development, but also significantly reduce development time and cost. This is followed by validation of physical prototypes and manufacturing, which is another crucial element in the quality process.

An important element of the Group’s World Class Manufacturing (WCM) program, which has been adopted at all plants worldwide, also empowers every worker to play a role in improving quality and ensuring quality targets are achieved. In addition, all Group plants have adopted a Quality Management System that is ISO 9001:2008 certified and all powertrain plants in Europe are also ISO/TS 16949:2009 certified.

Another factor contributing to improvements in our manufacturing quality systems is the definition and development of standardized measurement methodologies for all vehicle programs worldwide. Additionally, final vehicle quality is assessed globally through standard Customer Product Audits (CPA), which integrate best-in-class criteria to prioritize defect severity levels based on customer perception and competitive benchmarks.

Metrology Centers at Group plants offer state-of-the-art inspection equipment to identify potential build variations, enabling any fit and finish issues to be resolved before customer vehicles are built. The new Metrology Center at the Melfi plant in Italy is one example of how advanced technologies are being used to ensure the highest quality standards for our products and processes. Traditional tactile metrology uses a stylus to trace the surface of a component and compares the resulting measurement against a mathematical model of the ideal component. These inspections are carried out on both the production line and Metrology Center to verify precision and consistency of components and processes throughout the manufacturing process.

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One of the major innovations at Melfi is the CMM (Coordinate Measurement Machine) area, located adjacent to the Metrology Center, where photometric scanning is used as a state-of-the-art alternative to physical measurement. Assemblies and even complete bodies-in-white are scanned in 3D and the measurement data is then fed into a software program used to conduct a statistical process control analysis. With this new technology, the entire surface area is inspected and a complete body-in-white can be scanned in half the time it takes using traditional tactile metrology. This provides advantages in terms of precision and efficiency, as well as enabling early identification of potential issues and rapid implementation of any corrective actions necessary to ensure the quality and consistency of the final product.

In addition to monitoring at specific points throughout the product development process, two other quality assurance programs are conducted before and after product launch to rapidly identify and resolve any potential issues with new models and ensure customer satisfaction from the first day of ownership. The first is an internal process known as “fleet fast feedback” in which employees are asked to evaluate and comment on pre-launch vehicles, which helps assess customer reaction. The second involves monitoring performance of a sample of customer vehicles by a cross-functional team for the first several months after a new model launch.

Customer expectations vary significantly from market to market due to differences in driving experience (fuel prices, speed limits, road surfaces, etc.) and/or local preferences such as vehicle size, fuel type, automatic vs. manual transmission, seat position and switch controls, etc. When differences in regulatory requirements or customer expectations have an impact on quality standards, we normally apply the most stringent specifications for all markets.

These market-based differences add complexity and make close cooperation across regions an essential part of the process. IT tools have been developed to enable more efficient sharing of relevant quality information globally. Even more important, however, is the work done during the year to improve direct relationships and sharing of best practices between teams in different regions. In 2014, for example, 100 employees from the new Pernambuco plant underwent on-the-job training on the Jeep Renegade assembly line at the Group's Melfi plant.

As part of our commitment to vehicle quality, FCA has set a target of achieving top quartile placement for the vehicle portfolio by 2020, based on the relevant competitive benchmark for each geographic region. This also includes targets for improvements in customer satisfaction and vehicle reliability as measured by rates of repair. In 2014, the rate of repair in the first 90 days of ownership improved on average by 13% globally, depending on the model. A Net Promoter Score (NPS) is used internally to measure customer willingness to recommend their vehicle to a friend or family member. In 2014, the NPS on three-year-old vehicles improved by as much as 14% in those regions with available measures.

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## Vehicle Safety

At FCA, we take transportation safety personally. Our dedication to safety is consistent with our commitment to being a good corporate citizen, one that judges itself not only on its ability to be profitable but also by its ability to make a positive, lasting impact on our communities and on society as a whole. Customers trust the quality and safety of our products, and we constantly do our utmost to warrant this confidence.

### Managing Safety

In 2014, we made an important organizational move to amplify our commitment to safety as FCA North America established the new office of Vehicle Safety and Regulatory Compliance. These functions had previously reported through the global engineering group. The reorganization created a stand-alone organization led by a senior vice president who reports directly to the CEO of FCA US, ensuring a high level of information flow and accountability. This new structure establishes a focal point for working with consumers, regulatory agencies and other partners to enhance safety in real-world conditions.

The safety organizations in the four FCA regions - EMEA, NAFTA, LATAM and APAC - continuously share information and best practices in order to harmonize design guidelines and processes where possible, given the regulatory environment. Safety design guidelines are implemented from the concept phase of every new model through the release of detailed design specifications to all the providers of subsystems for the vehicle.

Our overall approach recognizes that safer highways, improved traffic management and driver education all have a role to play in **enhancing safety on the road**. That is why we strive to connect our safety efforts to a collective goal we share with our employees, customers, dealers, suppliers, law enforcement, regulators, researchers, educators and others who have a stake in driver, passenger and pedestrian safety. All share a collective responsibility to make our roads safer.

FCA actively participates in national and international organizations that develop new and improved safety standards and examine real-world results. For example, the EMEA safety organization is a member of IGLAD (Initiative for the Global Harmonisation of Accident Data), a consortium of European auto manufacturers that analyzes traffic accident data to improve road and vehicle safety. In the U.S., FCA collaborates with other automakers to identify technical issues and conduct research related to safety through the U.S. Council for Automotive Research (USCAR). In Europe, FCA is also involved in the "Harmonization Group on Prospective Effectiveness Assessment for Road Safety (PEARS)." The objective of the group is to provide an open platform to discuss methodologies to evaluate the real-world effectiveness of advanced driver assistance systems in potentially hazardous traffic scenarios through virtual simulation. This cooperative research and development initiative involves major automakers, universities and automotive research institutes in Europe. We use these types of collaborations and research projects as tools to advance our vehicle safety efforts.

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As part of our dedication to improvement, we continuously benchmark best-in-class competitive vehicles. We also hired an outside team to review our safety practices and help evaluate our procedures with respect to other automotive manufacturers.

FCA's commitment to transportation safety includes engineering passive and active safety features for diverse drivers and vehicle segments. In some cases, such as restraint systems, global regulations are very similar and we have developed a worldwide restraint system standardization plan. In other instances, government regulations and third-party ratings standards vary from region to region. Even with this variance, our safety centers continuously collaborate with suppliers to meet internal safety standards designed to address quality and reliability goals.

Within FCA, responsibility for safety is not limited to the designated safety organizations, but cuts across many departments as well as FCA employees, dealers and suppliers. Thousands of people are engaged in tracking and understanding how vehicles perform on a day-to-day basis on the road. This work includes examining accident data in order to understand factors that may need closer investigation and understanding. Within our organization many centers of expertise contribute to the technological advancement on safety issues by cooperating with public institutions, universities and other organizations on research and development into innovative solutions.

The following FCA centers play a key role in safety research within the Group.

## CRF

GRI-G4 DMA, PR1



With respect to long-range safety research, **CRF** is the focal point and draws on a broad array of technical skills, covering all automotive engineering disciplines, together with state-of-the-art laboratories for testing.

The mission of CRF is to:

- develop and transfer innovative powertrains, vehicle systems and features, materials, processes and methodologies together with innovation expertise in order to improve the competitiveness of FCA products
- represent FCA in European collaborative research programs, joining pre-competitive projects and promoting networking actions
- support FCA in the protection and enhancement of intellectual property.

## Automotive Research and Development Centre (ARDC)

GRI-G4 DMA, PR1



Located in Windsor (Canada), **ARDC** is home to the Lighting Research Facility, one of the largest of its kind in the world. With a 91-meter, two-lane indoor roadway - including roadside markings, overhead signs and reflectors - the facility is used for headlamp, fog lamp and taillamp testing. In this facility, consistent weather conditions can be created regardless of season or time of day, and it is equipped with fog simulation equipment.

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## Group Safety Centers

GRI-G4 DMA, PR1



A team of specialized engineers located in **Orbassano** (Italy), in **Auburn Hills** (U.S.) and at the **Chelsea Proving Grounds** (U.S.) develops and assesses effective safety systems, concentrating on various aspects including safety levels in front and side collisions for vehicles from different segments; protection of vulnerable road users; and integration of active and passive safety systems. These efforts result in the continual implementation of upgrades to our testing equipment and methodology. Most recently, we have focused on improving the main physical crash testing tools, i.e., the full-size vehicle crash barriers and impact simulators, resulting in greater capability and precision in crash replication and analysis. In addition, we are making use of innovative Anthropomorphic Test Dummies to support child safety development in frontal and side crashes, as well as adult safety in lateral crashes. These vehicle test facilities **assess health and safety impacts for 100% of our vehicle models before launch**.

## Pomigliano Technical Center

GRI-G4 DMA, PR1



Our advanced engineering organization at the **Pomigliano Technical Center** applies upfront 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. In 2014, about 150 real accidents were simulated and analyzed.

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## Regulatory Compliance

FCA stands behind the quality and safety of our products. When problems arise in regard to safety and regulatory issues, we initiate thorough recall campaigns. Because we are passionate about vehicle safety performance, nearly all of our recalls are self-initiated early in the product cycle as a result of our own analysis. By moving quickly to initiate recalls, fewer customers are inconvenienced and we address safety issues more quickly.

When a safety concern arises, our first focus is to determine the root cause. Based on this analysis, we define a corrective action, which in turn allows us to determine how many and which vehicles are affected and need to be involved in a recall campaign. Using what we have learned, we upgrade internal design and process standards to prevent the same issue on the affected vehicles and other models.

In 2014, there were 81 safety and regulatory compliance campaigns involving 6,424,374 customers in our four regions (EMEA, NAFTA, LATAM and APAC). In EMEA, recall campaigns are managed by informing customers through written communication. The entire process is designed to **minimize inconvenience** to the customer and vehicle downtime. Moreover, a customer can obtain additional information on the work to be carried out, the location of service centers and other services that may be available, by contacting the FCA Customer Contact Center (CCC) at any time. The CCC can be contacted through one of the available channels including brand-specific toll-free numbers, emails, links on websites and social networks as well as more traditional means of contact such as letters and faxes.

In the U.S., automakers recalled more than 60 million vehicles in 2014, nearly double the previous high, signifying a heightened vigilance on behalf of both regulators and companies. To improve customer response to recall notices, a robust process was implemented in 2012. When owners do not respond to initial letters, we follow up using targeted communication channels, such as mailings, phone calls, emails and the Internet using various web strategies. Since the introduction of the program, the average recall completion rate in the U.S. has improved and exceeds the industry average by approximately 7%.

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## Active Safety

**Active safety systems** help drivers avoid crashes by assisting them to control their vehicles or alerting them to potentially hazardous situations. These systems monitor surroundings, the status of the vehicle and driver behavior. They include semi-automated technologies that provide assistance to drivers in certain instances, but the driver retains control as needed.

One of the most advanced driver-assist features available is **Full-speed Forward Collision Warning-Plus**, which combines camera and radar technologies. The pairing of these two technologies provides greater precision and reliability than systems that use only one method to detect objects. Once Full-speed Forward Collision Warning-Plus determines a frontal impact appears imminent, it pre-fills the vehicle's brakes and transmits two simultaneous warnings to alert the driver. One warning is audible and the other is visually displayed on the vehicle's instrument cluster. If there is no driver response, the system triggers a brief brake application as a physical alert. If the driver remains unresponsive and the collision risk remains, the vehicle's brakes are activated to slow forward progress. This intervention is intended to provide more driver-reaction time and, if there is no response, help reduce crash energy in the event of a collision. If the driver responds with inadequate brake-force, Full-speed Forward Collision Warning-Plus triggers Advance Brake Assist, which automatically increases brake-force for improved performance. The driver is still required to apply the brake to stop the vehicle. This system, once reserved for luxury vehicles, is available on the 2015 Chrysler 200, Chrysler 300 and Dodge Charger.

In the EMEA region, the **Forward Collision Warning-Plus** is available on the Jeep Renegade as well as on the Fiat 500X<sup>(1)</sup>. The system operates at speeds above seven kilometers per hour and provides audible and visible warnings as well as brake pulse. If the driver does not respond, the system will apply the brakes to slow the vehicle and avoid or mitigate potential impact.

There is a growing list of active safety features available on FCA vehicles. The features and options listed below are available depending on models and markets:

<sup>(1)</sup> Offered under the name Brake Control.

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## Lane-Departure Warning with Lane-Keep Assist



Lane-Departure Warning with Lane-Keep Assist alerts and assists the driver by leveraging electric power steering to deliver subtle steering-wheel input when the system detects a need for course correction.

## Adaptive Cruise Control-Plus with Full Stop



Adaptive Cruise Control-Plus with Full Stop helps maintain distance from the vehicle ahead. Under certain traffic conditions, it can bring a vehicle to a full stop without driver intervention.

## Blind-spot Monitoring



Blind-spot Monitoring uses dual radar sensors to aid the driver when changing lanes, passing or being passed. The presence of a vehicle in the blind spot is signaled by illuminated icons in side-view mirrors and an audible chime.

## Rear Cross Path Detection



Rear Cross Path Detection warns drivers of lateral traffic when backing out of parking spaces. It automatically activates any time a vehicle is in reverse gear; the driver is alerted of an approaching vehicle via illuminated icons on side-view mirrors and a driver-selected audible chime.

## ParkSense and ParkView



ParkSense park assist systems with stop and release use ultrasonic sensors to detect stationary objects while driving in reverse at low speeds. If a collision is imminent, it provides a momentary, autonomous brake pulse, and at speeds below seven kilometers per hour, it will bring a vehicle to a stop before releasing. ParkView rear backup camera provides a wide-angle view of the area immediately behind the vehicle when the transmission is shifted into reverse.

## Electronic Park Brake with SafeHold



Electronic Park Brake with SafeHold automatically activates the parking brake if the driver's seatbelt is unlatched and the driver's door is open while forward or reverse gears are engaged. This feature is designed to prevent rollaway situations.

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## Passive Safety

**Passive safety systems** 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. For example, the Chrysler 200 is constructed with approximately 65% advanced-technology steel, which contributes to a strong safety cage and robust crashworthiness. For the newly-launched Jeep Renegade and Fiat 500X, 70% high strength steel maximizes vehicle dynamics and crash performance while optimizing weight efficiency.

Among the passive safety features available on FCA vehicles:

### Active Head Restraints



Active head restraints deploy during a collision to help reduce injuries by minimizing the gap between an occupant's head and the head restraint.

### Advanced Multistage Airbags



Advanced multistage driver and front-passenger airbags inflate with force appropriate to the severity of the impact and meet advanced airbag requirements for smaller, out-of-position occupants.

### Occupant Restraint Controller



Occupant restraint controller detects impact and determines if an airbag should be deployed and to what degree.

### Energy-absorbing Steering Column



Energy-absorbing steering column helps manage energy during an impact. The manual-adjust steering column features two hydroformed coaxial tubes that move relative to each other to allow for enhanced energy absorption. The power-adjust steering column uses a calibrated bending element that deforms during impact for optimal energy management.

### Crumple Zones



Front and rear crumple zones are specially formed structural members that crumple and absorb energy in a collision, helping protect the occupant cabin.

### Safety Cage Body Structure



Safety cage body structure helps protect occupants by managing and controlling energy in the event of an impact.

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## Independent Safety Ratings

Independent agencies rate the comparative safety of vehicles across the industry in different regions. While the specific criteria vary, these ratings are generally based on some form of evaluating the level of safety provided for occupants during a crash as well as a vehicle's ability to avoid a crash through the use of technology. A number of FCA vehicles have earned top ratings based on performing to the highest levels during assessments. These ratings help validate our continuing efforts to deliver the latest advancements in both passive and active safety technologies.

In Europe, nearly all FCA vehicles since 2005 have achieved the top rating of 5 stars from **Euro NCAP** (New Car Assessment Program), which assesses adult occupant protection, child protection, pedestrian protection and safety assist. In 2014, the Jeep Renegade was awarded the prestigious Euro NCAP 5-Star rating, with an overall score of 80/100, achieving a rating of 87% for adult occupant protection, 85% for child occupant protection, 65% for pedestrian protection and 74% for driving assistance safety systems. This rating is even more significant given that Euro NCAP has adopted even stricter thresholds for the 5-Star rating in relation to adult occupant, child occupant and pedestrian protection.

In the APAC region, the Fiat Ottimo was awarded 5 stars in the **C-NCAP** conducted in China, and the Maserati Ghibli also achieved the highest possible overall vehicle safety score (5 stars) in the Australasian New Car Assessment Program (**ANCAP**).

In the U.S., the 2015 Chrysler 200 FWD, Dodge Challenger, Dodge Dart and Jeep Grand Cherokee 4WD earned 5-Star overall safety ratings in the **U.S. NCAP** conducted by the National Highway Traffic Safety Administration (NHTSA). The Insurance Institute for Highway Safety (IIHS) granted the 2015 Dodge Dart a **Top Safety Pick rating**. The IIHS also gave the 2015 Chrysler 200 a **Top Safety Pick+** status. Collision-warning systems are a prerequisite to achieve IIHS Top Safety Pick+ status.

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## Driver Research and Education

Better understanding of **driver behavior** helps us focus on the most relevant factors to improve safety on the road. In the U.S., FCA conducted in-depth research with drivers in three cities, including in-home interviews and accompanying them in a vehicle to observe their driving habits. A key finding is that drivers place a high value on features that act almost like extra eyes and ears, extending their awareness of potentially dangerous situations and helping them feel alert and in control. The condition of roads, traffic management and weather all factor into their concerns about situations that can possibly lessen their control. They also worry about other drivers being impatient, overly aggressive or distracted behind the wheel. Understanding these situations provides insight not only into driving habits but also possible vehicle functions and features that could be developed.

To minimize the risk of **distracted driving** and enhance the driver and passenger experience without being overwhelmed, the Group's Human Machine Interface efforts focus on new connectivity features using the on-board equipment to incorporate interfaces for vehicle safety communications. The Group has enhanced the voice command recognition which enables hands-free operation of phones and media players. As an example, the Uconnect Voice Texting, a real-time free-form voice dictation for composing messages or responses, is available on the 2015 Chrysler 200 and 300; Dodge Challenger, Charger and Durango; Jeep Cherokee, Renegade and Grand Cherokee; Ram 1500, 2500, 3500, and Chassis Cab. In addition, a suite of connected services, Uconnect LIVE, is available on the Fiat 500X in the EMEA region. The services are designed and adapted to allow drivers to use touch screens and steering wheel controls for connected services related to navigation, safety, service reminders, etc.

Similarly, on the FCA US Uconnect system, customers of select vehicles receive traffic and travel information services via satellite through SiriusXM. In 2014, the service was expanded to a five-year subscription which provides both safety and convenience to the drivers by including information such as accident, construction and road closure alerts and updated directions to avoid congested roads.

Finally, FCA uses a variety of channels to **educate customers** about vehicle safety, including a wide and expanded array of courses aimed at improving driver behavior and control over the vehicle.

## Safe Driving Classes

GRI-G4 DMA, PR3



### Alfa Romeo

Alfa Romeo continues to be at the forefront of promoting safety, accident prevention and driver education through driving classes organized in collaboration with the Dorado International Safety Driving Center, headed by former Formula One champion, Andrea de Adamich. The course involves a series of presentations on vehicle dynamics and practical on-track exercises. Participants complete an instructive dynamic course in two parts: reactive driving to improve vehicle control in emergency situations and active driving to learn how to anticipate critical situations.

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## Abarth

The Abarth brand also promotes safe sports driving by teaching techniques that combine safety with driving pleasure through dedicated driving courses provided by the Abarth Driving Academy.

These courses focus on the goals of increasing safety, while also enhancing satisfaction behind the wheel. “Negative Driving” exercises address controlling the vehicle in emergency situations. “Positive Driving” exercises use track driving to hone the driver’s ability to get the maximum performance out of a vehicle while maintaining control under any circumstance, effectively limiting negative driving situations. The course delivery has been certified in accordance with ISO 9001:2008. Abarth has chosen Dorado - Andrea De Adamich’s International Safe Driving Centre - to provide the instruction, a highly qualified school with an international reputation.

## Ferrari

Since 1993 Ferrari has been offering Pilota Ferrari driving courses in Maranello (Modena) and other closed circuits in Italy, with courses subsequently added in the United States and China. In 2014, a wide range of courses was conducted: Sport, Advanced, Evolution, Challenge, and Pilota Ferrari - Challenge Driver School. The Pilota Ferrari courses, exclusively available to Ferrari owners, provide the opportunity to attend successive course levels, offering content which is increasingly technical and complex. The courses deliver instruction at the perfect pace for the individual, based on the experience, sensitivity and driving technique acquired in previous courses.

## Maserati

The Maserati safe and sporty driving courses are tailored to give participants the opportunity to experience both vehicle performance and safety. The program, structured for various levels of driving experience under the supervision of expert instructors, provides the opportunity for aspiring and current Maserati owners to test their skills on the highly technical Varano de’ Melegari (Parma, Italy) circuit and learn to handle their cars at professional levels.

## Child Passenger Safety

GRI-G4 DMA, PR3



Vehicle safety is also an important topic to our employees. In 2014, our **Child Passenger Safety Advocate** provided child safety seat awareness training for employees at the FCA US headquarters in Auburn Hills. In addition, a Child Passenger Safety Fair was organized where child restraint manufacturers displayed their products and talked with employees about proper child restraint. Certified Child Passenger Safety Technicians were available to physically check car seats and educate parents on the proper installation of child restraints in their vehicles.

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## Future of Vehicle Safety

Addressing the challenge of **distracted drivers** is one of the major safety issues facing automakers today. Consumers are accustomed to connectivity in their everyday lives - sending text messages, talking on the phone, participating in social media or accessing the vast amount of content available on the Internet. The task in front of us is to address these consumer expectations in a way that enables drivers to engage systems in a smarter, safer manner. A key objective is to limit the amount of time a driver takes his or her eyes off the road or hands off the wheel.

FCA currently makes use of a number of technologies such as Lane Departure Warning and Adaptive Cruise Control that are designed to alert distracted drivers. In addition, voice-recognition technology enables hands-free phone calls, text-message dictation and navigation-system inputs. We are focused on improving the user experience and **safely merging the mobile world with the mobility world**, an effort that includes continuing work on the development of specific devices that warn distracted drivers.

FCA also dedicates significant resources to the development and application of safety systems that prevent or reduce the severity of accidents involving **vulnerable road users**, particularly bicyclists. The Group is a member of the **CATS consortium** (Cyclist Autonomous emergency braking Testing System), which actively supports and prepares for the introduction of Cyclist AEB (Autonomous Emergency Braking) systems and consumer tests of those systems. Euro NCAP intends to include Cyclist AEB systems in its rating tests beginning in 2018.

In terms of passive safety advancements, we are optimizing protection for vehicle occupants of all ages and abilities. FCA, through CRF and Magneti Marelli, continues to be actively involved in several research activities for vehicle-to-vehicle and vehicle-to-infrastructure communication (V2X) technologies and systems. In the field of **tertiary safety** we also worked on the new ISO 17840-1 for emergency rescue sheets. These sheets provide information to rescue teams or first responders on special design elements and the position of components to be considered when extricating the occupants of vehicles involved in an accident.

## Emergency Call



In 2014, CRF and Magneti Marelli continued to be involved in the **eCall** program, the European call emergency service for vehicles involved in an accident. The eCall system, will be mandatory on all new vehicles in Europe by April, 2018<sup>(2)</sup>. The data received through the eCall system will allow emergency services to provide assistance to vehicle drivers and passengers more quickly, thus helping to save lives and to treat injuries rapidly. Estimates suggest that eCall could speed up emergency response times by 40% in urban areas and 50% in the countryside, and save up to 2,500 lives a year.

At the same time, Magneti Marelli is developing the **ERA GLONASS platform** (Emergency Road Assistance Program based on Global Navigation Satellite System). The program is mandatory in Russia starting in 2015 for all newly type-approved models and in January 2017 for all new vehicles.

During 2014, the Group through CRF represented Italy in the UNECE-AECS<sup>(3)</sup>. AECS is the working group of international experts on Automatic Emergency Call Systems. AECS has been requested by the Working Party on General Safety, the subsidiary body of the World Forum for Harmonization of Vehicle Regulations, or GRSG, to prepare a proposal for a UN regulation on automatic emergency call systems for vehicle homologation. The harmonization between European and Russian standards is expected to be an outcome of AECS working group activity.

<sup>(2)</sup> The adoption procedure for eCall by the European Parliament and the Council is still ongoing and the deadlines for implementation have been delayed to April 2018.

<sup>(3)</sup> United Nations Economic Commission for Europe on Automatic Emergency Call Systems.

## IoTTol Research Project



Magneti Marelli has been involved in development and testing of **vehicle-to-vehicle and vehicle-to-infrastructure communication (V2X)** systems as part of the **IoTTol** ("Internet of Things, road Traffic over Internet") research project conducted in the Turin area (Italy). Partners in the project include the Istituto Superiore Mario Boella, Politecnico di Torino, CSystem, Ivrea Sistemi, Hicare Research, and Capetti Elettronica. Following a pre-demonstration of various advanced safety applications in December 2013, additional safety-related applications for V2X technology were showcased in 2014, including:

- real-time detection and signaling of vehicles representing a potential hazard (e.g., stopped or oncoming vehicle)
- real-time detection and signaling of traffic congestion.

Other applications being developed that are not directly safety-related include:

- on-board information of time remaining until the traffic light turns green or red
- parking availability, including the parking type (free/pay, covered/uncovered) and calculation of route to available parking space
- on-board alert of high air pollution levels and recommendation for reduced speed.

In the area of V2X technology, Magneti Marelli continues to develop both hardware and software applications which will support the driver by enhancing the level of preventive safety. On the hardware side, it has started to design an in-vehicle V2X communication device (3G/4G capable) that can be hosted on a standard Magneti Marelli infotainment platform. On the software side, recent developments include a new architecture that is compliant with both European ETSI and U.S. WAVE standards. Development of compatible software modules has also begun, with completion of a Level-0 prototype scheduled for the first half of 2015.

## DRIVE IN<sup>2</sup> Project



During 2014, the Group continued its involvement in the **DRIVE IN<sup>2</sup> Project**,<sup>(4)</sup> which was coordinated by FCA's Pomigliano Technical Center. The project that received the Smart Communities award at SMAU<sup>(5)</sup> Napoli 2014, is focused on driver-vehicle interaction to help prevent accidents and reduce polluting emissions, with particular emphasis on the role of the driver.

One of the project's strengths is its multi-disciplinary approach, which includes:

- identifying factors having the greatest impact on the level and quality of driver awareness
- monitoring physical and psychological condition of drivers, including any alcohol or drug use
- monitoring the driving style to maximize driver awareness, road safety and the vehicle's impact on the environment.

The DRIVE IN<sup>2</sup> Project resulted in the SIM-Panda, the first prototype vehicle for safe road testing of these driver monitoring systems. The prototype vehicle enables realistic testing of systems that monitor the effects of fatigue, intoxication, etc., without the dangers associated with actual, non-controlled driving conditions.

In the area of emissions and fuel efficiency, another result was simplification of the Group's proprietary eco:Drive software and development of the Eco-Index indicator which allow drivers to monitor themselves in real time and, if necessary, adapt to a more eco-friendly driving style.

The DRIVE IN<sup>2</sup> project was recognized as a best practice in the National Action Plan for Intelligent Transport Systems by the Italian Ministry for Transport and Infrastructure (Ministerial Decree of 12 February 2014).

<sup>(4)</sup> DRIVEr Monitoring: Technologies, Methodologies and IN-vehicle INnovative systems for a safe and eco-compatible driving.

<sup>(5)</sup> Salone, Macchine, Attrezzi Ufficio, the Italian event dedicated to Information&Communication Technology systems.

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## APPS4Safety



To continue supporting an integrated approach to active, passive and preventive vehicle safety, the Group took part in the DATTILO program in the Region of Campania (Italy). The research focuses on new technologies for rail transport, logistics and auto safety, in collaboration with universities, several engineering firms and SAPA, an auto parts supplier. One of the program's projects, **APPS4Safety** (Active Preventive Passive Solutions for Safety), uses accidentology data and analysis on vehicle safety system performance for non-conventional crashes. The program also includes driving simulators and new procedures for laboratory testing on the vehicle and in a virtual environment.

## AdaptIVe and AutoNet2030



The Group collaborates with other automotive companies to develop automatic driving systems in different traffic situations through the **AdaptIVe** and **AutoNet2030** projects. The AdaptIVe project is Europe's first large-scale collaborative research project on automated driving that was launched in 2014. Supported by EUCAR, the project involves 10 auto manufacturers, as well as several automotive and technology suppliers and research institutes. The objective of the project is to develop, test and evaluate driving applications with a growing automation level - ranging from advanced driver assistance systems to more complex automation - in realistic driving maneuvers. AdaptIVe focuses on the performance and acceptance of automated systems that improve safety by minimizing the effects of human errors, while enhancing traffic efficiency and reducing congestion.

During 2014, CRF also defined the requirements and specifications for urban scenarios and participated in the European AutoNet2030 project which also involves research activities on cooperative systems for **Intelligent Automated Driving**.

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## Customer Experience

To ensure strong and global management of customer activities worldwide, dedicated Customer Care functions have been established in all four operating regions, EMEA, NAFTA, LATAM and APAC, to:

- offer multichannel interaction
- increase customer satisfaction
- build and improve customer loyalty.

The Group's Head of Mopar Service, Parts and Customer Care is globally responsible for the Mopar brand and its Customer Contact Centers. The Head of Mopar is also a member of the Group Executive Council (GEC) and reports directly to the FCA Chief Executive Officer (CEO). This represents the greatest possible commitment to customer management. The GEC is responsible for reviewing the operating performance of the businesses, setting performance targets, making key strategic decisions and investments, and sharing best practices.

To enhance global coordination of activities, a study was conducted in 2012 to evaluate a common customer care platform, to leverage best practices and move toward an even more standardized process across regions. The first step in this effort was the identification of the Customer Relationship Management (CRM) platform to manage customer care processes around the world, gradually replacing individual local systems.

The first region to adopt the system was APAC, which completed the rollout and deployment of the new processes in India in the first half of 2013. In 2014, the same system was launched in China for the Fiat brand and is scheduled to go live in South Korea in early 2015. The rollout to the remaining APAC countries is scheduled in the first half of 2015. Fiat brand in Brazil adopted the new system in July 2014 and it is now being rolled out to all brands as part of the FCA convergence plan, and will start up in 2015. A cross-regional project steering committee is in place to ensure global alignment of strategies and process convergence. EMEA and NAFTA are scheduled to join the CRM project, which is expected to be completed by 2020.

Customer Contact Centers (CCC), together with dealers, are the main channels of communication between customers and the Company. There are 27 Contact Centers worldwide, with roughly 1,100 agents handling more than 11 million customer contacts per year.

The CCCs offer a variety of services including information, complaint management and, in some locations, roadside assistance and provide multilingual support with a strong focus on employing native speakers of each of the 31 different service languages.

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Customer Contact Center Activities - 2014	EMEA	NAFTA	LATAM	APAC
Contacts managed (million)	2.5	6.6	1.2	0.9
Customers participating in satisfaction surveys	9%	7%	10%	n.a.
Satisfaction index (scale 1-10) Information	8.2	7.7	8.5	n.a.
Satisfaction index (scale 1-10) Complaints	7.1	6.7	7.0	n.a.
% of calls within 20 seconds	81%	82%	83%	91%
Information: cases settled in a single call	90%	96%	92%	92%
Complaints: average settled time and % cases settled within 5 business days	- cases settled within average 5.7 days; - 64% settled within 5 days	- cases settled within average 10.0 days; - 77% settled within 5 days	- cases settled within average 6.2 days; - 51% settled within 5 days	- average case settled time n.a.; - 76% settled within 5 days



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The EMEA as well as the NAFTA Customer Contact Centers manage the entire process, from the first contact with the customer until a response has been given, ensuring resolution in the shortest possible time.

The main CCC in the EMEA region is located in Arese (Italy), which supports not only Mass-Market Brand and Maserati customers, but also FCA Bank and Fiat Services in 22 countries. It is one of the largest such centers in the European automotive sector.

The Center provides multilingual support with a strong focus on employing native speakers of each of the 31 different service languages. With 377 personnel, the EMEA region Customer Contact Centers handled approximately 2.5 million contacts in 2014.

The NAFTA region CCCs, located in the U.S., Canada and Mexico, handled approximately 6.6 million customer contacts in 2014 with 603 personnel for all Mass-Market Brands through separate and dedicated brand teams. Starting in 2014, NAFTA CCCs began supporting the Alfa Romeo brand re-introduction into the market. In terms of expanding channels of communication, the U.S. market now supports "chat" across all brands. These teams provide special attention during new model launches. In order to continue providing a high level of customer satisfaction during volume spikes, strategies such as self-service, enhanced customer handling processes, and Interactive Voice Recognition were deployed. Additionally, selected sites provide support to dealers on various topics.

With respect to the other operating regions, in LATAM the Group has six Customer Contact Centers. The centers handle around 1.2 million customer contacts per year, with 150 agents. In addition to the CCCs and to ensure a local and culturally appropriate response, FCA has established a specialized structure in its eight regional offices in LATAM which handle complaints related to the dealer network.

The countries within the APAC region are very diverse in terms of culture, language, vehicle population and automotive industry penetration. To respond to these regional differences, the current customer care strategy is for each main country, i.e., India, China, South Korea, Japan and Australia, to have its own CCC. In 2014, the APAC Customer Contact Centers in total managed about 900,000 customer contacts with 41 agents covering the full range of FCA brands. As a result of India rolling out the CRM platform and enhanced customer care process, complaint levels were reduced and the Net Promoter Score, which measures customer satisfaction, improved. APAC CCCs now collectively handle more than 80,000 inquiries a year.

Additionally, the U.S. agent training program received a major refresh resulting in a more robust, effective curriculum.



Hours of training per person<sup>(6)</sup> across regions

**EMEA:** 42 hours

**NAFTA:** 40 hours

**LATAM:** 60 hours

**APAC:** 23 hours

<sup>(6)</sup> Not including new hire training.

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## Communication with Customers

A proactive communications plan signifies to our customers that we appreciate their business and view them as important stakeholders in our enterprise. FCA uses multiple channels to provide relevant, detailed and up-to-date information on products and services. New communications tools enable us to collect more data about our customers, understand them better and create more meaningful connections. At the same time, the digital age has elevated consumer expectations, raising anticipation that businesses will respond quickly to their needs. In this environment, we are sharpening our ability to respond quickly and appropriately in order to continue deserving their loyalty.

To create a stronger connection between the dealer network and customers, the Group launched an innovative after-sales platform in Italy in 2013 and extended it to all European countries in 2014. A link to the platform, the **Mopar Owner Center**, is provided on brand [websites](#).



### Mobile app

Apple Store and Google Play in EMEA

**7** brands

**17** markets

**5** languages

**383,000**  
downloads

The Mopar Owner Center provides customers with information such as:

- **original and remanufactured** parts and how to personalize their vehicles
- **direct access** to all Customer Care channels
- **warranty** and maintenance plans
- **roadside assistance** services
- a direct link to **virtual stores**
- a complete list of **authorized dealerships** and service centers.

The site also allows owners to find individual vehicle advice, dedicated tools and exclusive promotions for their vehicles.

For owners who enter their **Vehicle Identification Number** (VIN) into the system, the Mopar Owner Center offers specific reminders to properly maintain their vehicle as well as additional information about city and highway driving patterns, monthly distance driven, etc.

To increase communication and enable customers to interact easily with the Company, in 2014 FCA enhanced its Mobile Customer Care program for smartphones. The mobile applications, available free of charge in the Apple Store and Google Play for seven brands in 17 EMEA markets and five languages, reached more than 383,000 downloads.

Additional features and enhancements were incorporated into the mobile applications:

#### European markets

- Standardized functionality across all markets
- *Camping Site Locator* content for Motorhome customers /Jeep Travel for Jeepers
- Augmented reality enables owners to use their smartphone to “interact” with vehicle components and have a new vehicle experience. With the use of **augmented reality** now mature and consolidated, the focus was to standardize functionalities across markets. Augmented reality functionality was added to various Owner Manuals: Alfa Romeo 4C, Giulietta, MiTo, the new Fiat Professional Ducato and the new Lancia Ypsilon.



### EMEA website

Mopar Owner Center

**19** markets

**12** languages

#### Multibrand

(Fiat - Fiat Professional  
Alfa Romeo - Jeep -  
Lancia - Abarth)

**+1,000,000**  
unique visitors

Awarded Editor's Best  
Choice in the Media Key  
**Interactive  
Award 2014**

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### U.S. market

- **Accident assistant** educates owners on steps to take if their vehicle is involved in an accident. It allows them to enter their insurance information and document the accident (people involved, pictures, etc.), which can be stored or emailed. They can also locate and contact the nearest certified repair facility to assist them in getting their vehicle properly repaired
- **Vehicle-specific information** enables owners to log into their owner site account and retrieve information specific to their vehicle, such as service history, maintenance and mileage updates
- **Augmented reality** enables owners to use their smartphone to scan the instrument panel, activating illuminated icons with information specific to that icon and recommended actions.

### Customer Feedback

GRI-G4 PR5 

FCA recognizes that good and regular communications are critically important to building a long-lasting relationship with customers.

The views of our customers provide critical information on what we are getting right, what we could do better, and what we should be thinking about next. Regular feedback and opinions are monitored on an ongoing basis regarding satisfaction with their vehicle, dealer and ownership experiences. These help improve the Group's relationship with customers by highlighting issues and helping us to exceed their expectations.

Regional programs are in place to evaluate ownership events, as well as how likely customers are to recommend a dealer and a brand to family and friends.

In the U.S., the Customer Experience Initiative (CEI), an internal ongoing tracking system, surveys customers at several points during the first three years of ownership through a combination of time-triggered and event-triggered transactions. Expressed on a scale of zero to 10, the answers allow customers to be broken down into three categories: promoters, passive customers and detractors.

Similarly, FCA in EMEA uses the **Net Promoter Score (NPS)** to evaluate customer satisfaction throughout the vehicle sales and service experience.

In the U.S., customers are contacted immediately after they have a warranty service visit or when they pay for service in order to assess their satisfaction with the experience. In 2014, approximately one million completed surveys were received from U.S. sales and service customers. In the EMEA region, FCA developed the Customer Feedback Sales and Service program to manage customers and help dealerships improve customer satisfaction. In 2014, the U.K. was added to the central program and Serbia will be included beginning in 2015, bringing coverage to 20 EMEA markets in total.

Specifically, Customer Feedback aims to:

- provide **feedback to dealerships** and service points to improve their organizations and processes that have an impact on customer experience
- incorporate the results of the Net Promoter Score to provide additional customer input and improvement opportunities
- support CRM programs by enriching the customer database with customer data profile.

In 2014, FCA expanded the customer feedback process at repair facilities by gauging the satisfaction of vehicle owners regardless of whether their vehicle is covered under warranty or not. By doing this, the program provides useful input to manage all business at repair facilities. The changes also included redesigning the program with a new partner to assist dealers to achieve the highest levels of satisfaction and to fix issues when they arise, driving customer satisfaction and loyalty.

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## Customer-Centered Services and Products

Customer-centered services respond to owner expectations and provide added value related to their ownership of Group products.

FCA has developed a specific product line of **remanufactured parts** to support older vehicles. These parts provide alternatives to dealers and customers that simultaneously reduce the cost of vehicle ownership and the volume of salvageable materials heading to landfills. The program allows the recovery of used materials and saves energy during production by using cores, or parts that can be rebuilt, which are collected from the service network.

In the EMEA region, the remanufactured product line has more than 1,000 unique parts and is continuously being expanded. The program covers 25 product lines including engines, cylinder heads, turbochargers, injectors, injection pumps, air flow meters, EGR valves, gearboxes, flywheels, starters and alternators, steering racks and pumps, half shafts and air compressors.

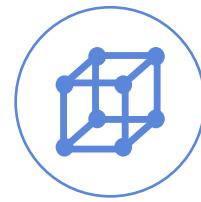
In the U.S., we have also expanded offerings of high-quality remanufactured parts. The selection of remanufactured options includes more than 4,100 unique parts, 201 of which were added in 2014, and includes remanufactured brake calipers, starters and alternators, electronic control modules, steering and suspensions, air compressors, as well as engine and transmission product categories.

In the U.S., FCA is offering customers additional convenience by increasing the number of dealers offering **express service** to 44% during 2014, which significantly reduces the time required for routine maintenance such as oil change, tire rotation and multi-point inspection.

In addition, the number of U.S. dealers offering Saturday service hours totaled 81% in 2014. Accordingly, in order to support dealership needs, both Mopar parts distribution and customer service hours have been expanded to include nights and weekends.

To meet customer expectations and reduce waiting time, 47 new express lanes were launched in the APAC region in 2014. Dealers who implemented express lanes reached the highest rates of Net Promoter Scores within their markets in September 2014.

To further promote communication with our customers, the **Mopar wiADVISOR** was developed, one of the most comprehensive service write-up tools on the market. When customers visit a dealership that uses wiADVISOR, they receive a complementary health check on their vehicle, consisting of vehicle software updates, factory-required maintenance information and a walk-around inspection. This proprietary technology pairs the vehicle diagnostic information with wiADVISOR to simplify the service write-up process, providing the customer with an accurate, consistent and transparent service experience. The program was enhanced in 2014 with **In-Dealership Gold Support Training** and improvements for service advisors to discuss vehicle specific offers with customers. In EMEA, wiADVISOR is available to the dealer network in both Italy and Morocco. The target for 2015 is to launch wiADVISOR in the main countries in EMEA, starting with Germany, France and Poland.



### Remanufactured service

EMEA  
**1,000 unique parts**

NAFTA  
**4,100 unique parts**

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Another initiative provided by Mopar is the Green CHECK UP campaign in EMEA, started in 2013, that continued in conjunction with educational projects on proper vehicle maintenance aimed at reducing CO<sub>2</sub> emissions. The principal message “care for your car, care for your environment” revolves around the idea of visually and symbolically representing a vehicle which, anywhere it goes, creates a greener place.

In LATAM, another example of customer convenience includes a program that offers Brazilian customers the ability to watch quick services being performed and see pricing for after-sales services. This program, Fiat Autocentro, provides transparency during the service process.

## Vehicle Diagnostics



Regular maintenance and the correct diagnosis of issues increase vehicle efficiency, resulting in lower fuel consumption as well as the preservation of safety system integrity.

For instance, in the U.S. a new, Monthly Vehicle Health Report and Vehicle Health Alert service was launched on the 2015 Dodge Charger, Challenger, Durango and Chrysler 300 vehicles. At a glance, vehicle owners can review and monitor the status of a vehicle's key systems, including powertrain, oil, fluids, brakes, suspension and safety systems. The service will be made available in additional vehicles in 2015.

In addition, Magneti Marelli offers maintenance, repair and remote diagnostic services through its extensive service network (the Magneti Marelli Checkstar Service Network) of about 4,000 authorized service centers. Additionally, the Magneti Marelli Telematic devices, through access to the on-board network, can enable telediagnostic service. This service minimizes the impact of malfunctions, reduces vehicle downtime, lowers costs and ensures service efficiency.

Magneti Marelli is now participating in the Aftermarket Telematics Working Group (WG) of CLEPA, the European association of automotive suppliers. The objectives of this working group are to determine how to open and secure access to vehicle data, and to identify the sets of data that are to be made public. Based on the results of the WG, Magneti Marelli will finalize the collaboration with its strategic partners in order to provide aftermarket customers with telediagnostic solutions.

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## Addressing Special Needs

At FCA, Autonomy and Automobility programs are founded on the principle that guaranteeing mobility that is accessible to everyone is not only a moral imperative but also a fundamental pre-condition for the economic and cultural development of modern society.

Since 1995, the Autonomy program has been offering a range of tailored solutions that make it possible for people with disabilities to drive Fiat, Lancia, Alfa Romeo, Abarth, Jeep and Fiat Professional brand vehicles. The program also actively sponsors a variety of sports and lifestyle events. For anyone with a disability, accessible mobility can be a very important step toward independence and that is why FCA is committed to offering technical solutions that meet their specific individual and collective transportation needs. In 2014, a total of 1,450 people benefited from the services offered through the Autonomy program's 19 **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. In addition, 19,590 Autonomy vehicles were sold to customers in Europe and Brazil, representing an increase of approximately 4% over 2013. In Italy, in 2014 revenues from the sale of Autonomy vehicles totaled €117 million.

Through the Autonomy program, the Group is also involved in numerous sports initiatives that, in addition to the opportunities they provide to the participants, also play an important role in dispelling misconceptions and stereotypes. In fact, rather than "**different**" competitions, these events are centered around the belief that athletes, including those with "different" skills, are all motivated by the same desire: to overcome every obstacle and win!

Since 2007, Autonomy has sponsored the *Autonomia sulla Neve* program, which offers skiing courses to beginners with disabilities, and the *Autonomia grazie allo Sport - Settimane Multi-sport Estive* program, which offers participants a unique opportunity to try a variety of different sports. Over the past 7 years, more than 700 disabled individuals have had the opportunity to participate in these programs which are organized in collaboration with the nonprofit association **Freewhite** at the Italian ski resort of Sestriere.

Prior to the 2013-2014 ski season, Autonomy also partnered with **Freewhite** to construct a fully accessible ski shelter for storing specially-adapted ski equipment, as well as a meeting point and events venue.

During the third edition of the *Montagne Olimpiche e Paralimpiche Off Road* (also held in Sestriere), young disabled individuals had the opportunity to experience nature in a truly breathtaking mountain setting. Jeep - a brand synonymous with adventure and the great outdoors - made the event possible by providing vehicles to transport the participants to the mountains where they took part in a variety of outdoor activities, including safely - and autonomously - navigating challenging downhill courses.

Autonomy and Freewhite organize these winter and summer activities for the disabled because of their demonstrated benefits in terms of inclusion as well as physical and social rehabilitation.

The Autonomy program, as the main sponsor, also partnered with **Let's...Donation!** to organize a competition benefiting nonprofit organizations. Let's...Donation! ([www.letsdonation.com](http://www.letsdonation.com)) is a site where charitable organizations can seek support for social initiatives and projects with the help of corporate partners. The competition encouraged users to pledge support to one of the hundreds of charities registered on the site by donating a Fiat Panda to the charity receiving the most votes over a three-month period. A total of more than 10,000 pledges of support were received.

Another Group initiative designed to improve mobility and enhance vehicle accessibility is the Group's Automobility program in the U.S. Automobility is a financial assistance program that was launched in 1987 to help customers with permanent disabilities get in and out of, and/or operate, a new vehicle. The program helps cover up to €752.60 of the **out-of-pocket expense** for installing adaptive driver or passenger equipment on most Chrysler, Jeep, Dodge, Ram or Fiat vehicles. It also helps customers locate assessment centers and vehicle modifiers or adaptive equipment installers to ensure new products meet their needs. Since 2000, the program has provided approximately 94,000 Automobility Program customer assistance grants.

*This content was subject to assurance by SGS Nederland B.V. (27 March 2015)*

In 2014, several initiatives were completed to increase awareness of the opportunities available through the Automobility Program. Automobility displays were created for Abilities Expos in major markets across the United States, including in Los Angeles and New York. The Abilities Expos are designed to promote and better educate physically-challenged customers about the Company's product offerings and financial commitment to the program. In addition, the Automobility displays were featured at the National Mobility Equipment Dealers Association in Reno, Nevada and the Association for Driver Rehabilitation Specialists in Buffalo, New York. Finally, to mark National Mobility Awareness Month in May, the Company, together with other sponsors, donated a new Dodge Grand Caravan to a local hero to help her overcome mobility challenges.

### **Transparency in Communication**

The Group exercises the maximum care and attention in processing and protecting personal data of customers and others, as set out in the Data Privacy Guidelines and in compliance with all applicable laws and regulations.

All communication with customers is conducted with maximum respect for their privacy. In 2014, the Alliance of Automobile Manufacturers and the Association of Global Automakers submitted to the U.S. Federal Trade Commission the "Consumer Privacy Protection Principles for Vehicle Technologies and Services." As a member of the Alliance, FCA US committed to the implementation of these seven principles, which include transparency; choice; respect for context; data minimization, de-identification & retention; data security, integrity & access; and accountability. These consumer privacy practices are critical as customers and vehicles become more connected. The Privacy Principles acknowledge that technologies and services are increasingly designed to enhance vehicle safety, performance and the driving experience, and rely upon information from vehicle systems. This can include information such as location of vehicles or how drivers operate their vehicles. The Principles represent a unified responsibility to continue enhancing benefits to customers while respecting their privacy.

### **Responsible Selling Practices**

In January 2015, FCA Italy and CA Consumer Finance S.A. announced the creation of FCA Bank S.p.A.<sup>(7)</sup> which, following receipt of its banking license in Italy, became the parent company of an international banking group with operations in 16 European countries.

FCA Bank will continue to support the sales activities of a range of passenger car and commercial vehicle brands through the offer of vehicle financing to customers and dealers, in addition to insurance solutions and long-term fleet lease programs. All of these activities are centered on a strategy of fostering customer loyalty, continuously improving customer satisfaction and developing new products and services that are increasingly attractive and innovative.

FCA Bank is committed to providing customers access to credit at competitive conditions based on the principles of fairness, transparency and responsibility, and in full compliance with applicable regulations. In 2014, FCA Bank issued more than 500,000 new finance contracts. In the 16 European markets where FCA Bank operates, customers have access to a full range of finance and insurance products (e.g., Credit Protection Insurance, Car Insurance, Extended Warranties, etc.). Consistent with the principle of transparency, the products and services are offered to customers using clear and accessible language.

<sup>(7)</sup> FCA Bank (formerly FGA Capital) is a 50/50 joint venture between Fiat Chrysler Automobiles and Crédit Agricole Consumer Finance. For more information, visit [www.fcabankgroup.com](http://www.fcabankgroup.com)

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To provide access to responsible credit, FCA Bank has two web-based tools to determine which financing plan is best suited to individual customer needs and budget:

- Financial calculator: customers can choose from a range of financing options (e.g., loan, lease, etc.) based on the brand and model selected. The tool is also embedded in the car configurator for each brand, where customers can calculate the price of the optional extras. In 2014, more than 205,000<sup>(8)</sup> quotes were given, representing a 12% increase over 2013.
- Find Your Car: this simple calculator helps customers determine the most suitable vehicle and monthly payment based on their monthly income and expenses. In 2014, customer use of this tool quadrupled with more than 50,000 simulations being calculated.<sup>(9)</sup>

FCA Bank also has a loyalty program aimed at strengthening the customer relationship and improving overall satisfaction. Through this program, existing customers are offered attractive tailored options to refinance their existing vehicle or finance the purchase of a new vehicle.

In 2014, FCA Bank also developed the CALL tool, which is fully integrated with FCA's CRM platform and is designed to promote loyalty by offering, through the dealer network, tailored renewal options to customers who are nearing the end of their existing financial contract period. The tool will be launched in all of FCA Bank's markets during 2015.

In 2012-2013, FCA Bank conducted a training program on sustainability and responsible lending that was attended by all FCA Bank employees (about 1,900 people) and 9,000 individuals in FCA Bank's sales network. In addition, FCA Bank conducts a comprehensive Customer Satisfaction Survey semi-annually to monitor the level of customer satisfaction with its products and services, conduct of sales personnel, and clarity and completeness of the information provided by sales personnel. In 2014, the survey was expanded to include information relating to the selling process, with specific emphasis on:

- level of clear and transparent communication by sales personnel
- ability of sales personnel to give a detailed and easy-to-understand explanation of tailored financial products
- ability to collect information on customer expectations and needs to improve the customer-dealer relationship.

During 2014, about 17,000 FCA Bank customers were surveyed by phone.

The results of FCA Bank's Satisfaction Index survey in 2014 were as follows:

#### FCA Bank: Satisfaction Index in Major Markets in 2014<sup>(10)</sup>

	<b>Italy</b>	<b>Germany</b>	<b>U.K.</b>	<b>France</b>
Score: Min 1 to Max 5	3.98	4.26	4.48	3.90

<sup>(8)</sup> Source: Google Analytics (GA), a service offered by Google that generates detailed statistics about the number of hits on a website. Scope of Financial Calculator statistics: Italy, Germany, the Netherlands, Greece, Spain, Portugal and France.

<sup>(9)</sup> Source: Google Analytics (GA), a service offered by Google that generates detailed statistics about the number of hits on a website. Scope of Find Your Car statistics: Italy, the Netherlands, Greece, Spain, Portugal, France, and Switzerland.

<sup>(10)</sup> Overall Satisfaction with FCA Bank financial services - Source: FCA Bank Customer Satisfaction Index 2014, XII wave, December 2014.

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## Ethics in Communication

GRI-G4 PR7



Publicity and advertising play an important social role. FCA Italy S.p.A. adheres to and encourages responsible values and practices in all forms of communication. Since 2011, the Group has used a guide on ethics in communication for the purpose of ensuring responsible marketing and communication practices worldwide. The guide sets out the core principles to be adhered to in all communication activities carried out by or on behalf of FCA Italy S.p.A., including external providers such as advertising agencies, in keeping with the laws and industry standards applicable in each country. The guide is based on FCA Italy S.p.A.'s core values of respect, integrity and responsibility and was drafted in clear, straightforward language to ensure that it can be easily understood and applied by everyone. FCA Italy S.p.A. is an active member of UPA (the association of advertisers in Italy), which supports the Istituto di Autodisciplina Pubblicitaria (the Italian advertising standards institute).

In 2014, there were no significant final judgments relating to breaches of marketing communication.

## Information on Products and Services

GRI-G4 DMA, PR3, PR4, PR6



Given the nature of its activities, FCA is subject to numerous laws and regulations governing product information. In Europe, for example, Directive 1999/94/EC establishes specific requirements relating to the availability of consumer information on fuel economy and CO<sub>2</sub> emissions for new passenger cars. In keeping with those requirements, the Group communicates that information to consumers through a variety of channels, including product materials in dealer showrooms, product advertisements, brand websites, etc. In the United States, the Environmental Protection Agency (EPA) supervises compliance with fuel economy labeling requirements on new vehicles. In collaboration with the National Highway Traffic Safety Administration (NHTSA), the EPA introduced a new labeling format to be displayed on all vehicles beginning with the 2013 model year. In addition to information on fuel economy, the new label format also provides consumers information about energy use, annual fuel costs and environmental performance, including smog and greenhouse gas ratings. Customers can also scan the QR Code on the label with a smartphone to access additional information about the vehicle online.

The Group communicates other information to ensure the maximum level of transparency - including safety and usage instructions and warnings that are either required by law or provided on a voluntary basis - through owner and maintenance manuals, information labels and product advertising, as well as through the dealer and service network, Customer Contact Centers and other channels. Consumers are provided detailed information on areas such as the proper use of active/passive safety features (e.g., seat belts, airbags, child seats), environmental performance of the vehicle, driving behavior that can affect fuel consumption and emissions and responsible disposal of materials following maintenance (e.g., used oil, filters, etc.).

In addition to the use of low environmental impact technologies, FCA also encourages safe and eco-friendly driving through driving courses, awareness campaigns and software tools like eco:Drive. Fiat brand introduced the LIVE version of eco:Drive on the 500L in 2013 and it is now also available on the new Fiat 500X. The system provides drivers real-time tips on how to drive in a more eco-friendly manner.

The Group sells its products and services to customers in more than 150 countries worldwide. We do not sell our products in markets where they are prohibited. We regularly engage with stakeholders to better understand their expectations, needs and concerns. In addition, in 2014 there were no significant Final Judgment relating to our products and services information and labeling.

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## Dealer and Service Network

- Training for the Network
- Reducing Environmental Impact
- ▲ Sustainability Plan

### Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Dealer and Service Network will be reported.



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## Training for the Network

In 2014, to **enhance the customer experience** and create loyal advocates of our products and services, FCA continued to develop training opportunities as well as skills assessment and certification of sales force and technicians.

Focusing on these areas helps to grow the **quality of service** offered by dealerships as well as their operations and product-related knowledge.

Univerity and the FCA Performance Institute, the Group training organizations, standardize skill levels across the network, and offer targeted training paths to over 170,000 dealership personnel, sales and after-sales professionals and technicians worldwide.

### Hours of training provided in 2014



A variety of learning needs are addressed for technical and sales issues faced by the network, such as customer relationship management processes, product and vehicle systems knowledge, and environmental and safety features of the Group's vehicles.

In 2014, continued progress was made in the area of online training and performance supported through internal multimedia platforms. The knowledge and information was readily accessible to everyone in the network, saving time and money and limiting the environmental impact of travel.

<sup>(1)</sup> 2014 figures are not directly comparable with previous year ones, based on system enhancements and tracking mechanisms calculations varied. Training hour monitoring is now tracked through the FCA Learning Management System (LMS).

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## Customer Relationship and Management Training

FCA has developed a series of programs focused on selling methods and processes to ensure a high level of **customer satisfaction** and maintain a positive relationship with them.

### Sales Process Training

GRI-G4 EC8, LA10



The *Customer First* and *Business Support* programs in Europe are designed to enhance the approach of network personnel during the sales process.

In 2014, the Group developed a new sales process for the Fiat, Alfa Romeo, Jeep and Abarth brands, aligned with each brand's character and local market specifications, with a focus on **brand values, customer requirements, best practices** and **branded initiatives**.

This new sales process is based on core concepts and emerging trends, including new purchasing behavior (online research, digital communication, customized sales process, newly emerging customer needs), synergies between sales and after-sales, and the importance of the customer **welcoming phase** and **sales experience**.

In 2014, FCA Unetversity deployed the new sales process training in 18 European markets for the Fiat and Jeep brands. Classroom training for both sales and after-sales staff based on the new approach formed part of the core training for the launches of the Jeep Renegade in September and the Fiat 500X in December. For Alfa Romeo and Abarth, the new training methodology will be deployed during 2015.

The sales process training was organized jointly by the Sales and After-Sales departments. The format consisted of classes with 15 participants examining the various phases of the sales process (from acquisition to loyalty) through role-play and simulations. This training supports dealers in the change management process by providing targeted coaching on behavioral aspects to enhance the total brand experience for customers. In addition, technology and other tools are continuously being refined to better support the network, including using tablets to enrich the customer experience from welcome to delivery phase (e.g., taking pictures and sharing them with customers by email or on social media).

### Customer Experience Initiative

GRI-G4 EC8, LA10



In 2014, the Performance Institute further supported the Customer Experience Initiative by redesigning the selling skills curriculum and course development, aligning course objectives to be consistent with customer survey results. The initiative is designed to improve the overall customer experience as well as promote the long-term success of both the Company and the dealer network.

**Customer relationship** improvements were also achieved through programs such as *Step It Up*. This initiative, supported by in-dealership consultants who coached and mentored retail professionals, aided the Customer Experience Initiative by correlating customer survey results with dealership behaviors and processes linked to customer satisfaction. This effort resulted in a significant positive impact within the pilot dealers. The after-sales curriculum was also redesigned to reflect the Customer Experience Initiative as future courses will incorporate lessons learned from the Step it Up program.

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## Customer Satisfaction Program

GRI-G4 EC8, LA10



In September 2014, FCA launched an online training program for the EMEA region's dealer network based on the main elements of the *Customer Satisfaction Program*. Staff from more than 3,000 dealerships across the region learned about FCA methodology and strategy for ensuring that Sales and After-Sales Services standards meet **customer expectations**. A new tool was also put in place to enable continuous monitoring of improvements in sales and after-sales service standards. Additional communication channels have also been established to improve customer interaction management.

An operating handbook provides comprehensive information on the tools forming part of the *Customer Satisfaction Program*.

The online training was designed to emphasize key aspects of the program and motivate dealership personnel toward achievement of its objectives.

In particular, the course focused on the benefits of a **closer relationship** with existing and prospective customers, and provided guidelines for analyzing data available to dealers.

## A Focus on After-Sales Training

GRI-G4 EC8, LA10



In the EMEA region, Unetversity continued to place particular emphasis on training for the after-sales staff in dealerships, such as service center managers, service consultants and front-office employees, who manage the after-sales relationship with customers.

In 2014, Unetversity enhanced training for after-sales customer relations processes to improve the Service and Parts customer experience.

More than 440,000 hours of training were delivered to the FCA Italy, Maserati and Ferrari after-sales force worldwide, of which approximately 258,000 hours were through distance learning.

During 2014, the virtual classroom that was introduced in 2013 was deployed in all countries throughout the EMEA and LATAM regions, involving up to 5,000 users and covering various after-sales topics, including repair and quality check, scheduling, reception and follow-up, and the new WiADVISOR tool.

Delivery methods combined instructor-led training and online training with virtual classroom experiences. Comparing 2014 with 2013, the after-sales training attendance increased significantly, mainly due to the contribution of online and virtual classroom training. Approximately 239,000 hours of distance learning were dedicated exclusively to FCA Italy after-sales personnel (+37% vs 2013).

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## Environmental and Safety Training

The Group dedicates considerable resources to support environmental and safety training in our dealer and service network.

Worldwide, the sales force received specific training on topics related to the reduction of fuel consumption and CO<sub>2</sub> emissions, eco-friendly technologies, alternative fuels and the latest generation engines. In addition, when possible, test drives were organized to demonstrate the characteristics of these engines and their competitive advantages.

In 2014, FCA US delivered 292,987 hours of training to the sales force on environmental and safety features, or 28% of the training hours delivered. On the same topics, training delivered to the FCA Italy sales force amounted to 481,150 hours, or 46% of the training.

Worldwide training for service technicians continued with a focus on developing know-how in the repair and maintenance of eco-friendly engines and safety and environmental-related features. This training is essential to ensure engine efficiency and reduce fuel consumption and emission levels in accordance with regulatory limits. In addition, the increased availability of safety features on vehicles was supported by specific training covering these topics for the after-sales staff in the dealerships.

Based on the needs of the network, in 2014, 618,303 hours or 45% of the total training hours were dedicated to training on diagnosis, repair and maintenance of eco-friendly engines and safety-related product features delivered to FCA US technical personnel. FCA Italy technical personnel worldwide received 318,900 hours on these subjects, or 48% of the total training hours.

## On-site and Web Training

GRI-G4 EC8, LA10



FCA provides extensive web training for all dealership positions, as well as web-based equivalency courses for those network professionals who are not located near live course offerings. Local and web training make information and knowledge accessible to everyone in the dealer network, saving time and money, and reducing the environmental impact of travel.

FCA offers various online tools and performance support, including virtual classroom online training, web portals, tablet apps, in-dealership touch-screen kiosks and smartphone-optimized tools and resources.

In 2014, over 1 million hours of training were delivered online through web courses or virtual classrooms to FCA Italy sales, after-sales and technical personnel worldwide. This represents 46% of total training provided, and an increase of 19% compared with online training in 2013. FCA US worldwide online training accounted for an additional 1.4 million hours.

With the objective of offering solutions close to the participants, FCA offers 34 Technical Training Centers located across the NAFTA region, 34 in EMEA, 22 in LATAM and six in APAC to cover the training needs of field personnel.

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## Skill Development Programs

In 2014, Mopar introduced the *Mopar Career Automotive Program* (MCAP). The goal was to provide FCA US dealerships with a competitive method to recruit and train **entry-level technicians** so they are able to sustain and grow their service operations. MCAP is a national study and internship program offered by a network of schools that utilize FCA US-specific curriculum to train high-potential, entry-level automotive technicians for employment at our dealerships. MCAP has created strategic partnerships with automotive technical colleges and technical schools in selected locations throughout the U.S. The program provides a competitive and structured **career training path** for students so that Group dealers can attract the best future technician applicants.

In the United States, FCA continues its commitment to improve **diversity** within its dealer network. During 2014, the Group increased its **minority dealer** percentage to 7.4% of its total U.S. dealer network. The number of minority dealerships expanded from 189 to 194, in part due to the Alfa Romeo franchise being awarded to 50% of the minority-owned Fiat dealerships during the year. This action places the Alfa Romeo brand as the industry leader with the highest diversity percentage among all automotive brands, and corresponds to a minority representation in the newly-formed network of 23%.

In the U.S., the *Dealer Candidate Development Program* supports the Company's efforts to grow its minority dealer network. This program is designed to identify candidates who are currently employed with an FCA dealership and have the potential to become a dealer principal in the near future. Through educational webinars, live training and on-site dealership assessments, these candidates are provided dedicated training to enhance their knowledge of dealership operations. In 2014, the second class of five candidates successfully completed the program.

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## Tools and Resources

In the U.S., FCA Performance Institute supports its approximately 2,600 dealerships with electronic tools and resources that provide new ways to present vehicle information and characteristics.

### iShowroom



The FCA US sales consultant product presentation platform, iShowroom, was improved to include commercial vehicles and enhanced functionality. Video, graphics and animation engage the potential vehicle buyer and communicate product information, vehicle accessory details, competitive comparisons, and include the ability to virtually build a vehicle to suit the wants and needs of the particular customer. In addition, this tool is dealership-specific, displaying vehicles that are currently available in that dealer's inventory. The system is updated nightly to ensure accuracy of content, and is available via kiosk and dealer web-based and mobile platforms. More than 520,000 views of iShowroom were recorded in 2014.

### Owner Support Lite and Owner Support+



Owner Support Lite and Owner Support+ are electronic tools designed to enhance the new vehicle delivery experience. These tools provide vehicle identification number-specific product information for sales professionals to share and review with new vehicle owners, and both are designed to improve the customer's experience at delivery. While OS Lite is a pdf-based deliverable, OS+ is an electronic suite of videos and product information that can be emailed directly to a customer, further increasing their appreciation and understanding of their new FCA vehicle. To ensure maximum relevancy, the content of these tools is derived from features identified as "difficult to understand" by both the FCA Customer Call Center and the Quality organization. More than 930,000 downloads of Owner Support Lite and over 170,000 hits on Owner Support+ were recorded in 2014.

### iExam

GRI-G4 EC8, LA10



Tools and technology are continuously refined to better support the network. The iExam business analysis tool is being upgraded to enhance usability and functionality. These tools, along with the Market Master Online Business Analysis tool, continue to empower dealers to maximize their operational performance and capitalize on business opportunities. New dealer installation training materials were also developed to provide a more comprehensive orientation for new dealer principals when joining the Group's network. The training includes position-specific content for all roles within a typical dealership management team to promote greater shared understanding and appreciation for the Company's operational systems, procedures, and corporate values.

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## Reducing Environmental Impact

Reducing the environmental impact of the dealer network is one way FCA approaches sustainability issues across the entire **value chain**.

Working together with dealers toward this goal is also an opportunity to establish dialogue with customers, touching on all aspects of the Group's commitment to sustainability.

The Group dealer network consists of Company-owned and privately-owned sales points in more than 150 countries. FCA is committed to support the monitoring and progressive **reduction of the environmental footprint** attributable to the network, despite the fact that it only has operational control over Company-owned dealerships and that the majority of the dealer network is privately-owned.

To reach this goal, in 2014 FCA continued to develop and expand methods and initiatives in the various regions, based on local network characteristics.

Actions taken or proposed at dealerships were mainly related to increasing awareness on sustainability topics, including reducing energy consumption, atmospheric emissions and natural resource consumption, and improving waste management.

### Energy Efficiency at EMEA Dealerships

In 2014, energy and natural resource data was collected for 33 Company-owned dealerships across Europe, including Austria, Belgium, France, Italy, Portugal and Spain.

In Italy, total energy consumption, including both electricity and heating, was reduced by 19% versus the 2012 baseline year, with around 21,900 GJ of energy saved and 1,500 tons of CO<sub>2</sub> emissions avoided.

During the same period, an additional 6,600 tons of CO<sub>2</sub> emissions were avoided through the use of electricity generated from renewable sources.



**-19%**  
energy  
consumption

#### Direct and indirect energy consumption at dealerships

Mass-Market Brands in EMEA (GJ)

<b>2014</b>	Independent <sup>(2)</sup>		Company-owned	
	EMEA	EMEA <sup>(3)</sup>	of which in Italy <sup>(4)</sup>	EMEA <sup>(3)</sup>
Direct energy consumption	722,929	78,167	21,182	
Indirect energy consumption	912,530	121,602	72,732	
<b>Total energy consumption</b>	<b>1,635,459</b>	<b>199,768</b>		<b>93,914</b>

#### Direct and indirect CO<sub>2</sub> emissions at dealerships

Mass-Market Brands in EMEA (thousands of tons of CO<sub>2</sub>)

<b>2014</b>	Independent <sup>(2)</sup>		Company-owned	
	EMEA	EMEA <sup>(3)</sup>	of which in Italy <sup>(4)</sup>	EMEA <sup>(3)</sup>
Direct emission	40.6	4.5	1.2	
Indirect emission	90.1	9	5	
<b>Total emission</b>	<b>130.7</b>	<b>13.5</b>		<b>6.2</b>

(2) Estimated according to GHG Protocol criteria based on figures for Company-owned dealerships.

(3) Includes actual figures and estimates based on the GHG Protocol criteria.

(4) Based entirely on actual data collected.

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## Sustainability Program at LATAM Dealerships

In LATAM, in 2013 FCA launched the World Class Dealer (WCD) program to increase the focus of dealerships on operational efficiency, including identifying opportunities for improvements in performance and developing strategies for achieving results.

At the same time, the Group launched the *Sustainability Program for Dealerships*.

The first step in this program was to officially invite each dealer to choose a Focal Point, i.e. a contact person within the dealership responsible for managing the relationship with FCA. By year end, 559 Focal Points representing 84% of FCA Brazilian dealerships had been selected.

Each Focal Point was given an operating manual of effective sustainability practices with information on a range of topics such as energy efficiency, water savings, waste collection and recycling.

Through a sustainability-focused website for dealers, all of the Focal Points and dealer employees can share experiences and sustainability tips, learn about best practices and access other materials. In addition, three videos on sustainability-related topics were issued during 2014 on the web-based learning channel for dealership staff.

A variety of other support tools were also made available, including existing tools that were specially adapted to support the Sustainability Program for Dealerships.

### Standard Monitor

Questionnaires are used to evaluate several areas of dealership performance, including services provided, personnel, image and facility/equipment. The scope of the *Standard Monitor* tool has recently been expanded to address sustainability-related areas, including natural resource usage, reverse logistics and code of conduct. Twelve sustainability indicators are also used to rank dealers as part of the *Qualitas Excelência* award program.

### Qualitas Excelência

On an annual basis, Group dealers compete for the *Qualitas Excelência* award, which recognizes the top performers, helping them gain visibility and build a positive reputation. The awards are organized according to dealership size (three categories) and region. Sustainability performance, which is assessed on the basis of data collected through the *Standard Monitor* tool, has the second highest weighting in the final ranking.

### Sustainability Indicators

Working closely with the Ethos Institute, a nonprofit organization specializing in sustainability assessment, and the Fiat Dealer Association in Brazil (ABRACAF), a set of sustainability-focused performance indicators was developed for specific application to dealers. The methodology was refined based on results from various workshops, meetings and pilot projects. A total of 67 dealerships have already completed the assessment process and an additional 107 have begun using the methodology to monitor their environmental and social performance.

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## Service Standards

Several measures have been implemented over time to improve processes, customer service standards and service quality for the Group's dealer network in Brazil. In 2010, environmental concepts were also introduced through the Customer Service Standards project (*Padroes de Atendimento*), a management model developed by FCA. The objective of this initiative is to understand, organize and improve dealership processes, establishing minimum standards in terms of organizational structure; employee qualifications and training; strategy; and operating methods. In 2014, additional sustainability performance standards were introduced, bringing the total to 36. To achieve certification from FCA, dealers must participate in meetings at the regional branch office, undergo on-site audits, implement measures recommended during the certification assessment process and, finally, achieve the minimum level for each indicator. So far a total of 330 dealerships have achieved certification.

## Sustainability Features at NAFTA Dealerships

In the U.S., sustainability is promoted to our Chrysler, Dodge, Jeep and Ram dealers through a dedicated website. Introduced in 2013, this website encourages dealers to:

- Upgrade existing facilities
- Lower energy costs by installing LED lighting
- Optimize dealership operations by increasing efficiencies
- Lower maintenance costs by installing easy to clean tile floors
- Use low VOC paints when updating color schemes
- Use building materials with recycled content.

The website also includes a guide for dealers to renovate or build a new facility. A video at the start of the website gives users a virtual tour of the prototypical dealership. The website also features completion photos of recent dealer facilities.

In 2014, 106 dealers completed facility projects according to technical and style guide provided by the Group through the website. In order to meet increasing customer demand, they invested over €132 million in their dealership facilities.

## Alfa Romeo Media Center



The Alfa Romeo brand was launched at select U.S. and Canadian dealers in 2014. Sustainability was an important factor when the elements for the Alfa Romeo interior dealership branding were chosen. Many elements already available in the existing dealership facility were used for the Alfa Romeo brand, saving costs and reducing landfill waste.

A new media center was developed to play brand-specific video content as well as feature social media feeds for our customers. More than 70 media centers were installed in 2014.

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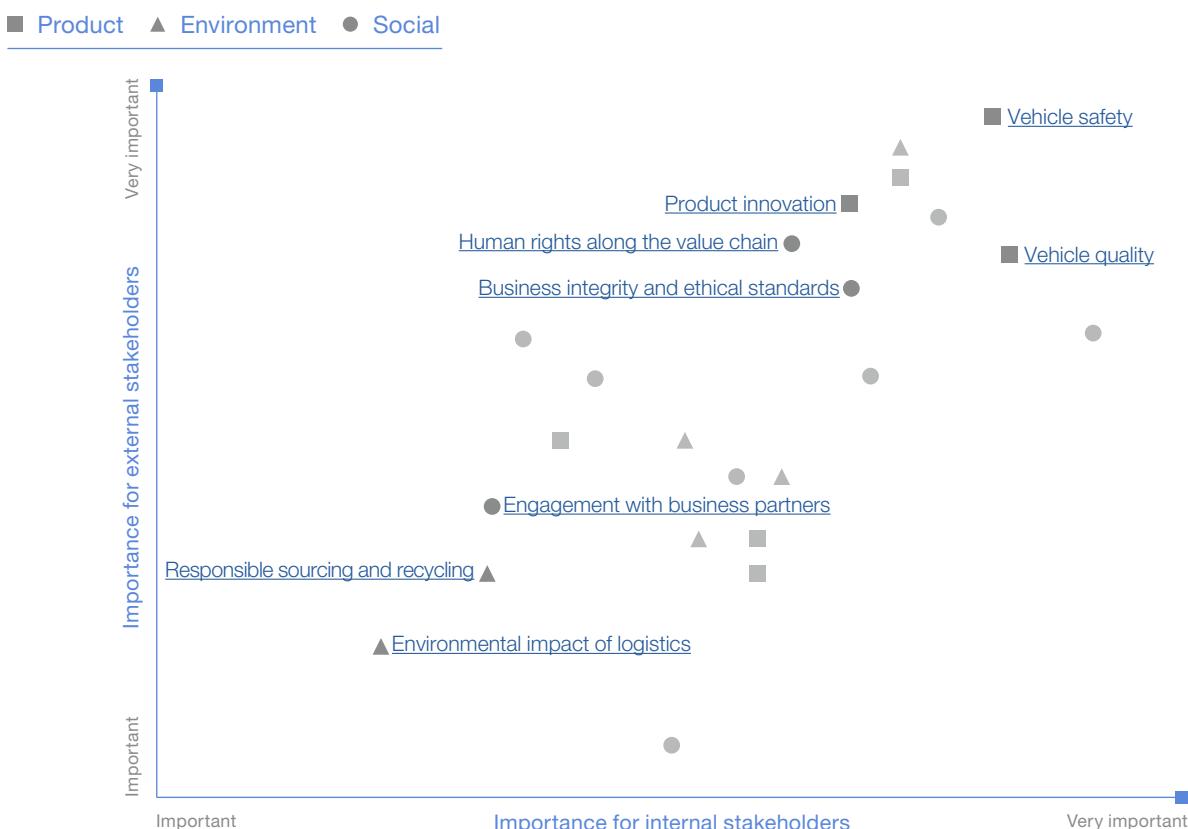
# Suppliers

- Our Supply Chain
  - Supply Chain Standards
  - Supplier Assessment Process
  - Supplier Environmental Performance
  - Supply Chain Labor Practices
  - Ongoing Dialogue with Suppliers

▲ Sustainability Plan

## Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Suppliers will be reported.



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## Our Supply Chain

FCA's fate is intertwined with its suppliers that provide many of the components used in our vehicles. Our suppliers' level of quality, understanding of the market and readiness to innovate are critical to our ability to distinguish our products from those of our competitors. We strive to create relationships that benefit both sides and are based on a mutual pursuit of excellence.

Our close relationships also make it possible to go beyond the purely commercial sphere in order to work together to develop responsible and sustainable development practices. These practices help limit exposure to unexpected events and supply disruption, while building **stronger supplier relationships** and long-term core competence that can drive sustainable growth over time.

Group Purchasing, the organization responsible for supplier management, sets global purchasing strategies and develops an integrated worldwide process. This organization works with peers and counterparts to integrate key environmental, social, and governance considerations into global purchasing decisions, enabling **responsible and sustained economic success** for our extended enterprise.

The ultimate governance of supplier management strategy lies at the highest level of the management organization.

Our buying teams within the Chemical, Metallic, Electrical, Powertrain, Indirect and Mopar commodity groups work with suppliers and internal colleagues within other functional areas to develop and execute sourcing strategies.

In addition to the buying teams, other departments within Group Purchasing support the ongoing selection, management and development of a high-quality, high-performing automotive supply base. These teams include Supplier Quality; Supplier Relations; Product Development Purchasing and Integration; and Methods & Strategy. To maximize the full value of our partnerships with suppliers, Group Purchasing is committed to acting in accordance with these eight **Foundational Principles:** 1. Mutual transparency, 2. Proactive collaboration, 3. Sense of urgency, 4. Integrity, 5. Long-term mindset, 6. Empathy and advocacy, 7. Continuous improvement, 8. Personal accountability.

The Company evaluates the effectiveness of its management approach through periodic benchmarking activities of major competitors, external audits and feedback from various stakeholders. Also, in 2014, information related to the model for sustainable management of the supply chain was assessed by SGS Nederlands B.V.<sup>(1)</sup> in a high-level audit in accordance with the AA1000 and Assurance Standard principles. This audit did not find any gaps in the management approach. FCA expects further improvement by continuous application of new key performance indicators (KPIs) related to an extensive supply chain monitoring process.

No areas of concern were identified through media monitoring, stakeholder commentaries and other public information, as reported by the rating agencies responsible for assessing the FCA supply chain management processes.

<sup>(1)</sup> SGS Nederlands B.V. is an independent certification body officially authorized to conduct AA1000 assurance audits.

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Our supplier base is highly concentrated, with the top 176 **strategic suppliers** accounting for approximately 59% of total purchases by value. The Group classifies suppliers as strategic through a formal process based on the following criteria: allocated spending amount; production and spare parts capacity; absence of technical and commercially-viable alternatives; and the value of Group procurement orders as a percentage of the supplier's annual turnover.

In 2014, we added 227 new suppliers, and a very small number of supplier relationships were terminated. Additionally, there were no significant changes in our supply chain's structure nor in any notable outsourcing activities.

#### Highlights

Group Purchasing worldwide<sup>(2)</sup>

**2014**

Direct and indirect material purchases managed by Group Purchasing (% of total FCA purchases) <sup>(3)</sup>	95
Direct material suppliers (no.)	3,127
Concentration of direct material purchases (% of purchases from top 176 suppliers)	59
Value of purchases from direct material suppliers (€ billion) <sup>(4)</sup>	53.4
Value of purchases from indirect material suppliers (€ billion) <sup>(5)</sup>	11.5

We are aware that our operations [impact local economies](#).

In general, the selection of suppliers is an operational phase of the sourcing process categorized by commodity group (e.g., direct materials; capital expenditure and indirect materials; and services), each managed by specific procedures.

Whenever possible, we utilize **local suppliers** at major locations of operation (based on the amount of spending allocated) in order to generate direct and indirect income and [employment opportunities](#) in the communities where the business is located. This emphasis also serves to minimize transport-related environmental impacts. The term "local suppliers" refers to suppliers operating in the country where an FCA plant is located. Enhancing skills and building industrial capacity through local content foster economic and social growth for local communities.

<sup>(2)</sup> Value of purchases from direct and indirect material suppliers totals roughly €64.9 billion.

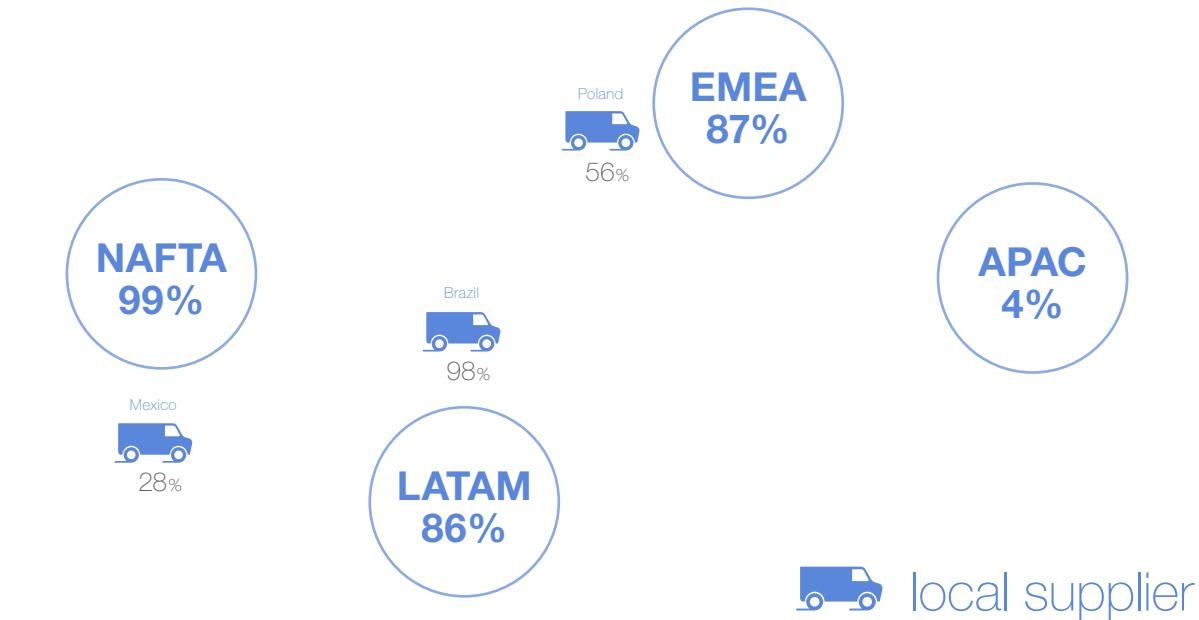
<sup>(3)</sup> Refers to the monetary value of purchases managed by Group Purchasing.

<sup>(4)</sup> Direct materials are pre-assembled components and systems used in assembly.

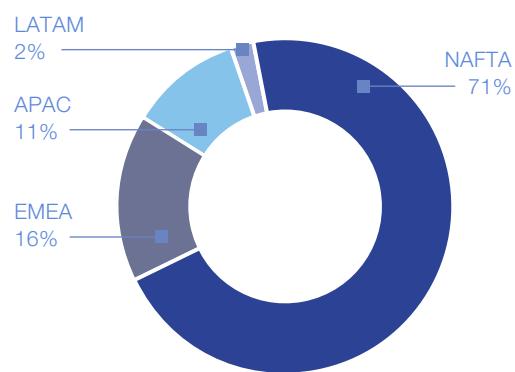
<sup>(5)</sup> Indirect materials are services, machinery, equipment, etc.

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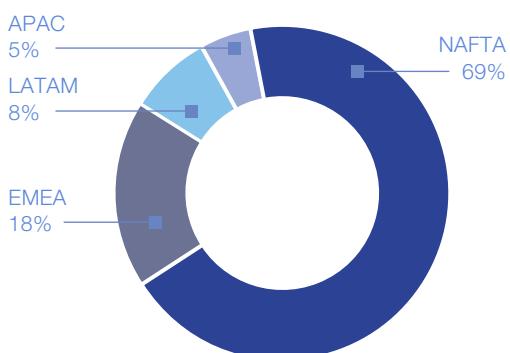
Concentration of FCA Annual Purchase Value (APV) on local suppliers at major locations of operation and by emerging markets<sup>(6)</sup>



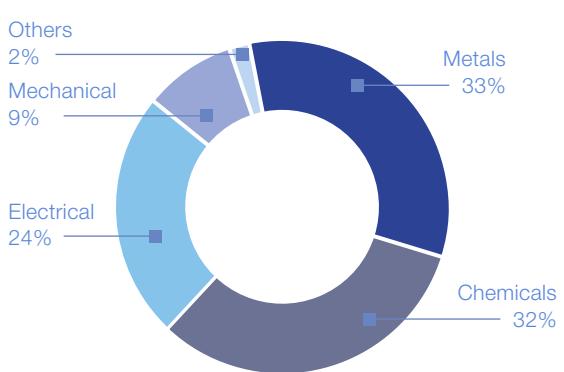
Purchases<sup>(7)</sup> by origin  
Group Purchasing worldwide



Purchases<sup>(7)</sup> by destination  
Group Purchasing worldwide



Purchases<sup>(7)</sup> by type  
Group Purchasing worldwide



<sup>(6)</sup> Refers to markets where FCA plants are located (source for "Emerging Markets": Dow Jones Indices Country classification system, effective September 2011).

<sup>(7)</sup> Refers to the monetary value of direct material purchases managed by Group Purchasing.

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## Supply Chain Standards

We are committed to equal and fair opportunities for all parties involved in the supplier selection process. Suppliers are selected based on the quality and competitiveness of their products and services, and on their respect of social, ethical and environmental principles. This commitment is a prerequisite to becoming an FCA supplier and developing a lasting business relationship with us. For this reason, and in order to address, prevent, and mitigate any potential impacts, contractual clauses have been progressively introduced since 2009, and the new agreements require suppliers to comply with both the Group's Code of Conduct and specific Sustainability Guidelines.

Suppliers must carry out business activities according to the ethical standards and procedures in place in the country/countries in which they operate, and as set forth by the Code of Conduct and Sustainability Guidelines. If a supplier fails to follow these principles, the Group can require the supplier to implement a corrective action plan, which is verified by audit, and reserves the right to terminate the business relationship. Our General Terms and Conditions require compliance with **environmental, social and governance clauses in 100% of new agreements.**

Supplier Sustainability Guidelines are available on the Supplier Portal and on the FCA corporate website.

They focus on the following principles:

■ **Human rights and working conditions**

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

■ **Respect for the environment**

- optimization of the use of resources
- responsible waste management
- elimination of potentially hazardous substances from the manufacturing process
- development of low environmental impact products
- use of an environmentally sustainable logistics system.

■ **Business ethics**

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

Any noncompliance on the part of the supplier is brought to the attention of a Sustainability Committee ("the Committee"), established within Group Purchasing. The Committee's role is to review performance and to identify the appropriate actions for noncompliant suppliers in order to prevent and mitigate actual and potential adverse impacts. The Committee consists of the Processes Compliance manager, the Head of the Supplier Quality Engineering, and the General Counsel. FCA is committed to ensuring that all new purchase agreements regularly incorporate contractual clauses on adherence to Sustainability Guidelines.

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## Supplier Assessment Process

We aim to prevent or mitigate any adverse environmental or social impacts that may be directly linked to our own business activities, or to products and services from our suppliers. As partners, suppliers play a key role in the continuity of our activities and can also have a significant impact on external perceptions of our social and environmental responsibility. Any adverse event within the supply chain can not only have a direct, material impact on production and economic performance - both for us and our suppliers - but can also affect our collective reputations. As such, building and maintaining collaborative, long-term relationships with our suppliers is an essential element in the effective prevention or mitigation of any potential negative environmental or social impacts of our activities.

Supplier Quality and Supplier Relations departments are responsible for managing the supplier assessment process which is managed operationally by Supplier Quality Engineers (SQE).

The assessment of supplier compliance with sustainability criteria is conducted in three phases over the course of a year. The first phase is the completion of a **self-assessment questionnaire**. In 2014, FCA introduced the Supplier Sustainability Self-Assessment (SSSA) questionnaire in all four operating regions. This standardized tool was developed by the Automotive Industry Action Group (AIAG) with the contribution of a work group that included FCA and other automakers and suppliers. It has a three-fold purpose: 1. to communicate our expectations to suppliers; 2. to determine the effective level of sustainability activity within the supply base; and 3. to create an effective and efficient tool that reduces the burden of multiple and similar information requests received by suppliers. FCA developed a user interface in 2014 (accessible via the eSupplier Connect portal), which can be used by suppliers to complete the SSSA online.

The questionnaire covers environmental, labor practice, human rights, compliance, ethics, diversity, and health and safety criteria. During 2014, it was expanded with an increased emphasis on water and environmental stewardship.

The second phase of supplier compliance is the creation of a **risk map** for the purpose of identifying any suppliers that may be at risk and, therefore, require further investigation.

The primary factors taken into account in building the risk map are:

- supplier's turnover
- country risk associated with the supplier's home country, with particular emphasis on countries with a poor human rights record<sup>(8)</sup>
- supplier's financial risk
- supplier's SSSA score
- supplier's exposure to commodity risk
- location of supplier's main production activities (where available).

<sup>(8)</sup> With reference to the list published by EIRIS in "Human Rights Countries of Concern" (October 2010).

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The final score, which is based on a weighted average of all factors, provides an indicator of a supplier's overall risk level (high, medium or low) and is used to select which suppliers will be subject to audit. The risk map covers 100% of active suppliers in 2014.

**On-site supplier audits** represent the third phase of supplier compliance, and may be conducted by either internal SQEs or external auditors. If any critical issues are identified during an audit, a supplier may be placed on watch status or, in particularly severe cases, the relationship with the supplier may be suspended or terminated. In any event, where areas for improvement are identified, a supplier corrective action is developed. Each action plan establishes specific responsibilities within the supplier's organization, activities and deadlines for implementation. The status of implementation and effective achievement of targets are monitored on a periodic basis by the SQEs.

The Sustainability Committee within Group Purchasing is also involved in formulating these action plans, taking into account the impact of any proposed measures on workers, local communities, and the supplier's stakeholders in general. For each supplier, the level of compliance and any recommended action plans following the self-assessments and on-site audits are reported in the Supply Quality Performance (SQP) system. The SQP divides suppliers into three groups: compliant (green); compliant but with recommendations for improvement (yellow); and noncompliant (red code). The results can be viewed by all employees with responsibility for supplier management. On a monthly basis, the SQP system also generates an updated Bid List which provides a qualitative assessment (including sustainability rating) of suppliers eligible to participate in competitive tenders. Bid List data is also used in the Summary By Plan, which contains detailed information on quality, financial risk and sustainability, as well as World Class Manufacturing application levels for each supplier. The resulting supplier rating, which can be viewed by all employees with responsibility for supplier management, is one of the key factors taken into consideration before awarding a supply contract.

### Supplier Self-assessment Questionnaires

As of January 2015, self-assessments (SSSA) had been received from 106 Top Parent suppliers in EMEA, LATAM and APAC (through the eSupplier Connect platform launched in Q4 2014). These suppliers, representing approximately 13% of total purchase value of the EMEA, LATAM and APAC regions, scored an average 74/100.

The eSupplier Connect platform will be piloted for suppliers in NAFTA in Q1 2015, with full deployment expected in Q3. The AIAG SSSA tool was used for NAFTA in 2014, with 520 Top Parent suppliers, representing 85% of the NAFTA region purchase value, scoring an average 76/100.

For any significant issues (actual or potential) identified through the 2014 self-assessments, on-site audits will be conducted during the course of 2015.

#### Self-assessment questionnaires Group Purchasing worldwide<sup>(9)</sup>

	2014	2013	2012
Suppliers sent self-assessment questionnaires (no.)	1,176	1,088	849
Suppliers responding to questionnaire (%)	53	80	86
Average score	75/100	79/100	85/100
Purchases by value covered by questionnaires (%) <sup>(10)</sup>	63	43	55

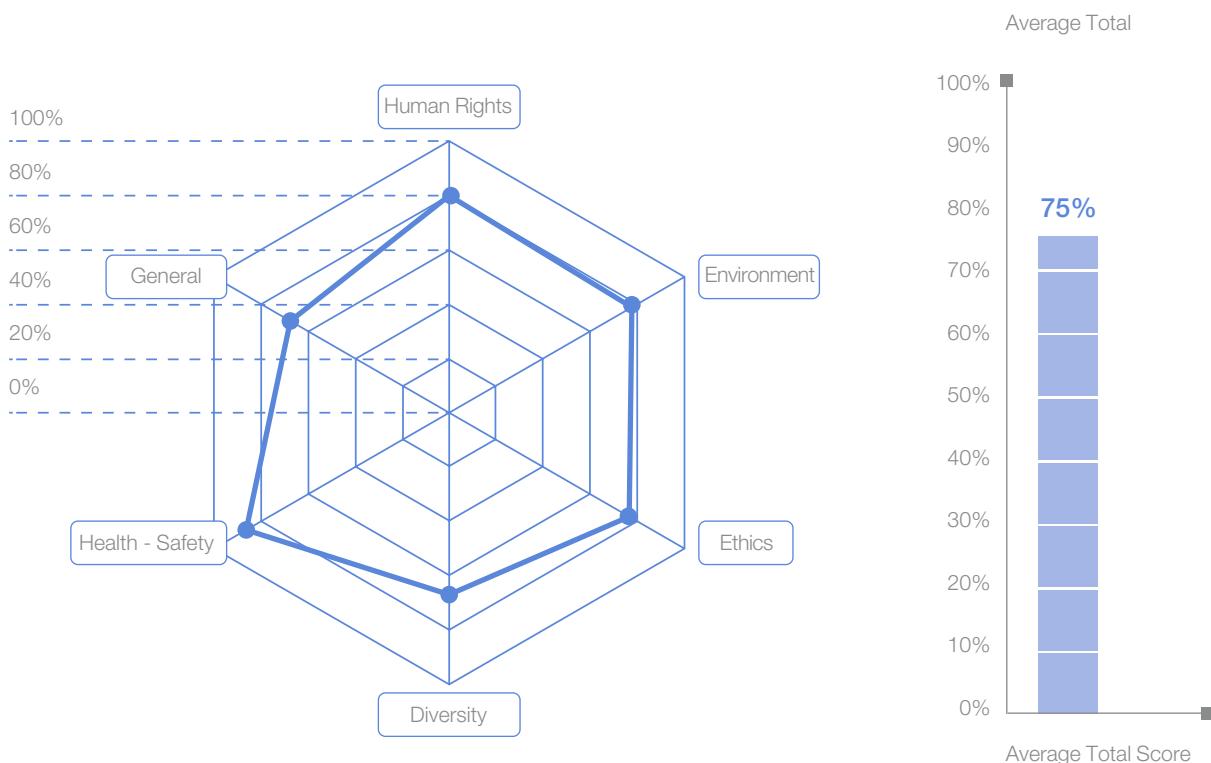
<sup>(9)</sup> Data refers to Top Parent supplier codes (companies' headquarters code). The data related to 2013 and 2012 have been restated using Top Parent supplier codes.

<sup>(10)</sup> Value of direct material purchases managed by Group Purchasing.

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## Supplier Sustainability Self-Assessment Dashboard

### Average Score by Value



Reduced transparency and lack of contractual relationships beyond Tier 1 suppliers make it more difficult to ensure commitment and compliance to sustainability standards. This was highlighted in the SSSA questions directed at training or communicating with the next-tier suppliers in sustainability principles. Following the Tier 2 pilot in 2013, we expanded our multi-tier monitoring process in 2014 to better understand and respond to needs within the entire supply chain. This will continue to be an area of focus in 2015.

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## Supplier Audits

Building on last year's self-assessment questionnaires, **65 audits** were performed in the EMEA, NAFTA, APAC and LATAM regions. These audits did not reveal any critical situations; no contracts were suspended or canceled, and no suppliers were placed on probation.

### Audits

Group Purchasing worldwide

	2014	2013	2012
Sustainability audits (no.)	65	72	89
performed by Group personnel (Supplier Quality Engineers)	30	38	42
performed by a third party	35	34	47
Purchases by value covered by audits (%) <sup>(11)</sup>	6	5	7

However, corrective action plans for certain areas in need of improvement were developed in collaboration with suppliers, resulting in **132 joint action plans** being initiated for 27 suppliers.

### Analysis of 2014 corrective action plans

Aspects	Number of suppliers with which improvements were agreed upon	Percentage of audited suppliers identified as having significant actual and potential negative impacts, with which improvements were agreed upon <sup>(12)</sup>	Number of action plans	Main action plan topics
Environment	6	9%	9	Environmental Emergency Planning System Environmental management Environmental performance
Labor practices	24	37%	57	Anti-corruption practices Code of conduct: communication and training Occupational Health & Safety Hazardous substances: lack of management Diversity: communication and training
Human rights	15	23%	28	Code of conduct responsibilities Lack of a formal grievance mechanism Guarantee of basic human rights Lack of references in the code of conduct Diversity
Impact on society	20	31%	38	Anti-corruption practices Supplier code of conduct Sustainability monitoring in the supply chain

<sup>(11)</sup> Value of direct material purchases managed by Group Purchasing.  
<sup>(12)</sup> The percentage is calculated based on the 65 suppliers audited.

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## Assessing Potential Suppliers

Through the **SEA (Supplier Eligibility Assessment)** the Company identifies suppliers' strengths, weaknesses and capabilities to produce a product of the required quality, performance and cost, and whether a supplier has the potential to be a high-performing supplier for FCA. Nearly all new suppliers are evaluated according to **sustainability criteria** by means of the SEA or the self-assessment questionnaire.

The SEA must be carried out prior to the procurement phase and is conducted for those suppliers who are not currently providing parts or services for us. The evaluation is done through a dedicated process assessing new suppliers or those suppliers that experienced a change in their organizational structure, location, commodity produced, manufacturing process, or technology. The SEA may also be used in situations in which a supplier's location has not delivered products for more than 24 months, even if the supplier has already been assessed for other facilities, products, or commodities.

Potential suppliers must demonstrate that they have adopted a program that promotes sustainability, both internally and along the supply chain, a code of conduct (with explicit references to anti-corruption, respect for human rights, etc.), a certified system for managing employee health and safety, and a certified environmental management system. These documents ensure that they satisfactorily monitor and manage environmental aspects, labor practices, human rights, and the impact on society.

Additionally, suppliers must provide evidence of the existence of process and product quality improvement procedures as well as training courses to expand the skills of their internal staff.

The SEA consists of an audit carried out at the supplier's facility and is generally preceded by the completion of a Supplier Data Profile. Subsequently, if required, a Gap Analysis document may be created to define corrective actions, responsibilities, and target dates for resolution of all identified items. 227 new suppliers were evaluated in 2014 through this process.

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## Impact on Society Across the Supply Chain

FCA does not tolerate unethical or corrupt practices by its business partners, since bribery and corruption undermine investments and distort international competition through direct, material impact on our business operations and on society's democratic institutions. Thus, the highest standards of integrity, honesty and fairness are a must for all business activities, and any form of bribery, corruption or money laundering is strictly forbidden. We perform a detailed spend analysis to prevent, mitigate or redress any negative impact on society.

Monitoring changes in the financial situation of suppliers is a cornerstone of our supply chain management process. A tool for different spending categories gives a clear picture of delivery data broken down by commodity and by supplier. The spend analysis process enables us to regularly perform an economic risk analysis that covers virtually 100% of the annual purchase value of direct material suppliers. Depending on the supplier's strategic role, the **economic risk analysis** may be performed annually, or more frequently if warranted. The evaluation is based upon a supplier's public financial reports, where available, and/or confidential information provided by the supplier for different key areas. In FCA systems, the financial information of each supplier is recorded and a score is calculated. If the minimum threshold rating required is not reached, the supplier is placed on a financial watch list and can be eliminated from sourcing decisions. An action plan may be designed to identify appropriate measures. Troubled suppliers are managed through a dedicated process and weekly meetings are held with the relevant departments of our operating segments.

In addition, due to our awareness of the corrosive effects of corruption on societies, we constantly monitor suppliers' compliance with recognized business ethics standards through the self-assessment questionnaire and follow up with on-site audits if needed. Suppliers are expected to comply with all applicable laws on bribery and corruption, excessive gift-giving, extortion, embezzlement, and infringement of data protection. Their approach to management should include policies and procedures to assure ethical operations and activities. Likewise, they must not have had pending lawsuits or negative rulings in the past year relating to these issues. We gauge their efforts and progress during our assessments by including specific questions on community development activities and whether they collaborate with industry associations on working conditions, environment, business ethics, health and safety and diversity and whether they measure and verify sustainability performance of their suppliers and sub-suppliers. In this way, we hope to champion more positive change and help strengthen communities and markets.

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## Culture of Sustainability in the Supply Chain

The support of FCA employees at all levels is critical to fully realize our goals for sustainability. To ensure awareness of sustainability and governance principles among employees who manage supplier relationships, Group Purchasing's Human Resources departments disseminate the Code of Conduct and the values of good governance through periodic training and other information channels.

Further, with the aim of broadening **accountability for sustainability goals**, these targets are incorporated in annual performance management processes and systems for many Supplier Quality Engineers and their teams, as well as many buyers. In so doing, we are able to measure their commitment and responsiveness toward supplier sustainability management.

## Destination 2020



In 2014, Group Purchasing conducted a global survey to collect input from key stakeholders, including the regional supplier advisory councils, internal customers and employees. During the Global Leadership meeting in March 2014 held in Auburn Hills (U.S.), the survey results were analyzed, gaps identified and specific projects created. These global projects involve the employees in transforming the organization and supporting FCA in long-term goals. Group Purchasing will act in accordance with the Foundational Principles in its relationship with stakeholders.

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## Supplier Environmental Performance

Suppliers are screened to verify their commitment to a wide array of environmental concerns. Our commitment to tackle climate change cannot exclude the involvement of suppliers. Suppliers must optimize the use of resources; minimize polluting emissions and greenhouse gases; properly manage waste treatment and disposal; and adopt logistics management processes to minimize environmental impact. For these reasons, we strongly advise suppliers to implement an **environmental management system** certified according to international standards. We also stay informed on supplier engagement in protecting biodiversity, since we want to preserve the variety of plant and animal species in all areas of operation.

As directed by REACH (regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals), our direct suppliers are required to use chemicals whose contents meet our current standards for the management of hazardous substances as closely as possible.

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

### CDP Supply Chain Program



We recognize the importance of collaboration for improving the **environmental sustainability of supplier** products and processes, so we provide comprehensive support through a variety of initiatives.

For example, in an effort to raise the awareness of suppliers on climate change issues with a particular focus on the reduction of their greenhouse gas emissions, 126 suppliers were invited to participate in the *CDP Supply Chain* program in 2014. Eighty-eight suppliers disclosed (70% response rate), attaining an average disclosure score of 65 and an average performance band of C. As evidence of their commitment to drive down carbon emissions, FCA suppliers that responded to the *CDP Supply Chain* survey eliminated approximately 62 million tons of CO<sub>2</sub> equivalent and invested about €1.3 billion.

Analysis of the results presented many ideas for establishing future collaboration with suppliers. The activity will continue in 2015, involving an even greater number of suppliers.

#### FCA Suppliers - CDP Supply Chain summary results

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Average supplier response rate: 70%

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62 million tCO<sub>2eq</sub> emissions reduced

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€0.9 billion was saved as a result of emissions reduction initiatives

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82% of suppliers who responded integrate climate change into their business strategy

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72% of suppliers who responded have emissions reduction targets

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78% of suppliers who responded report emissions reduction initiatives

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39% of suppliers who responded propose collaboration projects

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## Sustainable Water Stewardship



Because we believe that water scarcity could impact business continuity and that water conservation is essential, in 2014 we worked with selected Tier 1 suppliers to develop a **mutual water stewardship strategy** in water-stressed areas. In addition, we led an update to the AIAG SSSA, which now includes an increased focus on water and environmental stewardship. Specifically, questions were added related to:

- water policy, strategy or management plan focused on discharge water quality improvement
- water-related targets or goals
- operations located in water-stressed areas.

In addition, we piloted a project aimed at establishing sustainable water stewardship principles to be adopted and cascaded through the tiers by our suppliers.

## IMDS

GRI-G4 DMA, PR3



To help manage environmental impacts related to vehicles and components, FCA uses the International [Material Data System \(IMDS\)](#). Suppliers are required to submit detailed information on the materials and substances used in their components through this online platform so that hazardous substances can be traced back to the specific component. In this way, we are able to work with suppliers to reduce, control, or eliminate potential hazards in a manner similar to the procedures authorized by the REACH regulation.

The system also covers information on recycled material content, and is continuously updated with respect to regulatory evolution, particularly concerning hazardous substances. This feature facilitates the analysis of raw and recycled material consumption trends, as well as the evaluation of the environmental implications of replacing certain materials or substances, thereby enabling recyclability and recoverability calculations.

In response to customer requests relating to **green procurement**, FCA has a general quality specification under all supply contracts indicating every material's adherence to environmental, health and safety requirements, including ingredients, formulas' ingredients and handling procedures where relevant.

Approximately 110,000 data sheets were completed in 2014 for FCA vehicles.

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## Supply Chain Labor Practices

Ensuring that business partners abide by international human rights regulations and labor laws can be challenging in a complex supply chain.

Suppliers at every tier of the supply chain carry much of the management responsibility, but we are aware of the significant role we can play in preventing **human rights violations** and providing for **sound working conditions**. Our approach over the years has been built on systematic assessments and competency-building initiatives.

Self-assessment questionnaires verify 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 an occupational management system; systematically assess occupational health and safety risks; measure performance through key indicators; and extend their health and safety policies to their contractors.

Lastly, appropriate steps must be in place to **prevent child labor and forced or compulsory labor**, and to ensure freedom of association and collective bargaining rights.

If warned of potential or increased risks, we conduct thorough on-site audits aimed at providing insights into any concerns that may have arisen.

## Conflict Minerals

The complex global challenge of managing multiple layers of suppliers is a driving force in working with peers to address **ethical and social sourcing risks**. In collaboration with the Automotive Industry Action Group (AIAG), we have developed strategies addressing Section 1502 of the **Dodd-Frank Act**, as well as subsequent rules promulgated by the U.S. Securities and Exchange Commission (SEC), regarding **conflict minerals**. The rule requires companies to determine whether tin, tantalum, tungsten, or gold (3TG) in their supply chain originated from the Democratic Republic of the Congo (DRC) or surrounding countries, and if the sale of those minerals supported the armed conflict in the DRC. We use a cross-industry reporting template to survey the supply base about the origin of 3TG used in their products.

In addition, we have supported AIAG in creating a common automotive process to obtain conflict minerals reporting information. Our streamlined approach includes common reporting using the **iPoint Conflict Minerals Platform** (iPCMP), a web-based data management tool based on the Conflict Minerals Reporting Template. We work with our suppliers to obtain smelter information relating to the tin, tantalum, tungsten, and gold in their products, in an effort to ensure those minerals are not supporting the armed conflict in the Democratic Republic of the Congo.

By acquiring this information, FCA fulfills its due diligence obligation under the SEC conflict minerals rule. Being subject to U.S. SEC regulation, FCA US filed its first annual conflict minerals report with the SEC in May 2014 and is expected to do so again in 2015. FCA NV, however, does not expect to file a report in 2015 as it is not yet subject to the SEC rule.

FCA is working closely with the *Conflict-Free Sourcing Initiative* (CFSI) and the *Conflict Free Smelter Program* (CFSP). The CFSP audits smelters around the world to designate whether they are conflict free. To date, more than 144 smelters have been audited as conflict-free, and the CFSP is increasing its auditing efforts this year. We provide significant resources to support the CFSP and will continue to do so in the future.

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## Supplier Diversity

In 2014, the National Minority Supplier Development Council (NMSDC) presented FCA US with the prestigious Corporation of the Year Award. The award is the most sought-after honor for major corporations that are dedicated to improving the overall participation of Asian, African-American, Hispanic and Native American suppliers in the global corporate supply chain. This recognition validates our commitment to creating a diverse and sustainable supply base through innovative programs such as *Matchmaker* and *High Focus* that create new business opportunities for minority suppliers.

Among FCA's most successful innovations is our *Matchmaker* program, which creates opportunities for **diverse suppliers**. Having completed its 15<sup>th</sup> year, the annual Matchmaker provides minority-owned, women-owned and veteran-owned businesses access to FCA US Tier 1 suppliers and to decision-makers in the Company's procurement organization. The program has generated more than €1.5 billion in new business opportunities for exhibitors since 2000. As the premier networking trade event in the automotive supplier community, the 2014 Matchmaker event attracted more than 3,000 participants. More than 114 minority-owned, women-owned and veteran-owned suppliers participated in the day-long event.

The *High Focus* program, established in 2011, identifies 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 the supplier. Since the program's inception, 143 suppliers have improved their minority purchasing by more than eight-fold or €837 million. FCA is believed to be the only automaker to include diversity sourcing performance at the Tier 2 level as a criterion on a supplier's scorecard.

With a world-class supplier diversity and development program that spans 31 years, FCA US spent €4.8 billion with minority suppliers in 2014, representing 17.7% of its total annual purchasing value. Women-owned businesses, which are tracked separately, accounted for €1.14 billion of the Company's spending.

FCA continues to support several organizations that assist Tier 1 suppliers in achieving their minority-owned and women-owned sourcing goals. These organizations include the National Minority Supplier Development Council, the Canadian Aboriginal and Minority Supplier Council and the Women's Business Enterprise National Council. In addition, we support veteran-business ownership through membership with the National Veteran-Owned Business Association.

*This content was subject to assurance by SGS Nederland B.V. (27 March 2015)*

## Ongoing Dialogue with Suppliers

FCA continuously renews its focus on **supplier relations** in order to foster the engagement and communication that is essential to create more positive, mutually beneficial relationships. Our many long-standing company-supplier relationships attest to our success in building stronger and higher quality relationships.

Many process and system improvements have been launched to help suppliers work with the Group more effectively. These types of exchanges foster collaboration between the Company and the supply base, and thereby improve partnership and enhance communication on initiatives, issues and opportunities. A continuous dialogue is encouraged with suppliers at all levels of management, including forums such as the Global and Regional Supplier Advisory Councils (SAC). The SAC meets quarterly, and involves 15-20 suppliers that provide feedback on specific topics. We also use a dedicated supplier Internet portal, **eSupplier Connect (eSC)**, to share information on technical requirements, supply planning, supplier quality and the results of compliance tests conducted on new components. Suppliers can use the portal to communicate with the Company, enter details of contract bids, specify the origin of components and update their contact information. eSupplier Connect also includes a section dedicated to sustainability, including best practice articles highlighting supplier initiatives that provide inspiration to companies early in their own sustainability programs. This section also fosters recognition of suppliers willing to share their success stories with other companies.

As in previous years, initiatives for the exchange of ideas and information continued, including local conferences and **Technology Days** (37 meetings in 2014), attracting an average of approximately 1,000 participants. At these events, leading suppliers in terms of innovation, technology, and quality address specific topics and share some of their latest technological developments. In the NAFTA region, regular **Supplier Town Hall meetings**, attended by an average of 500 suppliers either in person or via webcast, continued to be a major enabler of two-way communication. Supplier expertise is leveraged with key partners and other functions such as Engineering in executive-level meetings that provide a forum to collaborate on strategies, investments and performance (six Global Strategic Meetings in 2014).

FCA works closely with many industry and supplier organizations to encourage dialogue. One such group is the Automotive Industry Action Group (AIAG), which FCA US 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 and co-chairing the Corporate Responsibility Steering Committee, FCA US employees are engaged in more than 40 work groups, many of which focus on sustainability issues within the supply chain and on streamlining tools and metrics across the industry.

FCA US hosts **Supplier Training Week** twice a year, covering numerous subjects from Purchasing, Quality, Supply Chain Management, Sustainability, Manufacturing, Finance, and Engineering, and includes sustainability-related topics such as responsible working conditions, environmental impact and ethics. A parallel training module focused on supply chain sustainability was deployed and is required of all FCA US Purchasing & Supplier Quality employees. It is structured around the relationship between the Group and our multiple tiers of suppliers with regard to our mutual corporate responsibility.

*This content was subject to assurance by SGS Nederland B.V. (27 March 2015)*

Additional in-depth training on **responsible working conditions** is offered to suppliers in partnership with AIAG. This training is developed and updated collaboratively with other automakers and is designed to help assure and protect the rights and dignity of the workers who make vehicle components. We are also committed to **promoting entrepreneurial growth** by providing entrepreneurs the practical capacity-building training they need, which enables subject matter experts to achieve a higher level of sustainability. With this aim, an on-site basic sustainability training course was delivered at EMEA headquarters to 21 select suppliers (32 individuals participated).

Further, in 2014, the Group partnered with several universities in the U.S. and conducted or supported two intensive supply chain studies that focused on sustainable practices from Tier 1 down through raw material suppliers. Assessments and interviews with these companies, most of which have no direct relationship with the Company, presented new understandings that are now being used to shape strategies, training and communication among our direct and extended supply base.

To address existing and emerging sustainability issues, the FCA US Supplier Sustainability Panel represents a cross section of the supplier base with participants from companies of different sizes, footprints and commodities. Topics addressed include ways in which FCA and its suppliers can work together on sustainability initiatives, gap assessment and resolution, benchmarking site visits, and training and communication throughout the supply chain. A special, expanded session addressing risk management in the supply chain was held in Q4.

We encourage supplier innovation through various initiatives to find ways to reduce costs. The Technical Cost Reduction **SUPER** (SUPplier Product Enhancement Reward) Program encourages a proactive approach with suppliers whereby economic benefits are shared when innovative manufacturing technologies and leaner component designs are implemented.

During 2014, approximately 300 ideas were implemented by suppliers in the NAFTA, EMEA and LATAM regions, resulting in shared economic benefits of approximately €43 million.

The Supplier Innovation Gateway is an initiative whose goal is to stimulate innovative ideas leading to benchmark systems. It provides a streamlined process to review, investigate, and approve supplier innovations in the NAFTA region.

Dedicated email addresses (sustainability [supplychain@fcagroup.com](mailto:supplychain@fcagroup.com) and [bpo@fcagroup.com](mailto:bpo@fcagroup.com)) represent another method for suppliers to request information or report situations of noncompliance in the supply chain, in addition to the specific channels identified by FCA companies for reporting a violation or suspected violation. In 2014, no violations or suspected violations were received about environmental, labor practices, human rights or social impacts.

## Related content

[Code of Conduct and Human Rights Overview](#)



This content was subject to assurance by SGS Nederland B.V. (27 March 2015)

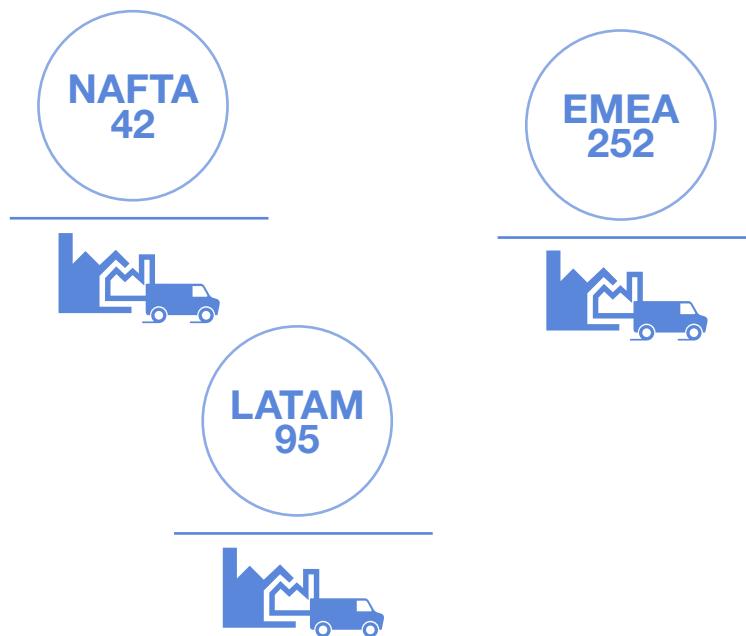
## Supplier World Class Manufacturing

GRI-G4 DMA, EC8



Group Purchasing has established a program to spread the World Class Manufacturing philosophy to its suppliers. Through the years, the program has increased the number of suppliers involved and the level of implementation. As of December 2014, the quantity of suppliers involved was 252 in EMEA, 42 in NAFTA and 95 in LATAM. During 2014, Group Purchasing, with the support of the WCM Central Team, developed a new program called *WCM 2.0* to better support the vision of Group Purchasing and its destination state: "Perfect quality products and services that enable FCA to exceed all corporate objectives." According to the new strategy, the program is fully committed to increase suppliers' involvement in the WCM program and the related performance. The main drivers enabling suppliers to meet the destination state are: quality, service level, financial rating, innovation, competitiveness, time-to-market, partnership and sustainability. To maximize the effectiveness of the program for FCA and its final customers, the process of prioritization takes into account the component importance from the customer's point of view, the purchasing strategy, and the level of current performance of the supplier. Furthermore, specific programs have been developed to offer suppliers a wider range of scenarios: *Light*, *Intermediate* and *Award* programs; Focus program for specific problems; and Work Place Integration for new product development. The new strategic approach of the program is to increase the suppliers' medium- and long-term performance according to the evaluation tools already in place. Finally, a pilot program to monitor supplier Safety and Environment KPIs was started in 2014.

**389** supplier plants involved in WCM program



### Related content

[World Class Manufacturing](#)



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## Supplier Awards



In 2014, FCA again honored top-performing suppliers during the **Supplier Award ceremonies** held in each of the four Regions. We recognized several for their outstanding achievement in social and environmental responsibility performance. In the category of Sustainability, **the top winners in 2014 were Williamston Products for NAFTA and Honeywell Transportation Systems for EMEA.**

These companies and others were recognized for their commitment to sustainability and the breadth and depth of their related initiatives and programs. In the EMEA region, **the QUALITAS event was ISO 20121 certified** as a sustainable event, and all CO<sub>2</sub> emissions generated from it (about 94,500 Kg CO<sub>2</sub>) were offset by planting 600 fruit trees in Kenya and Haiti as part of the *Treedom* project, for a total of 176,000 Kg CO<sub>2</sub>.

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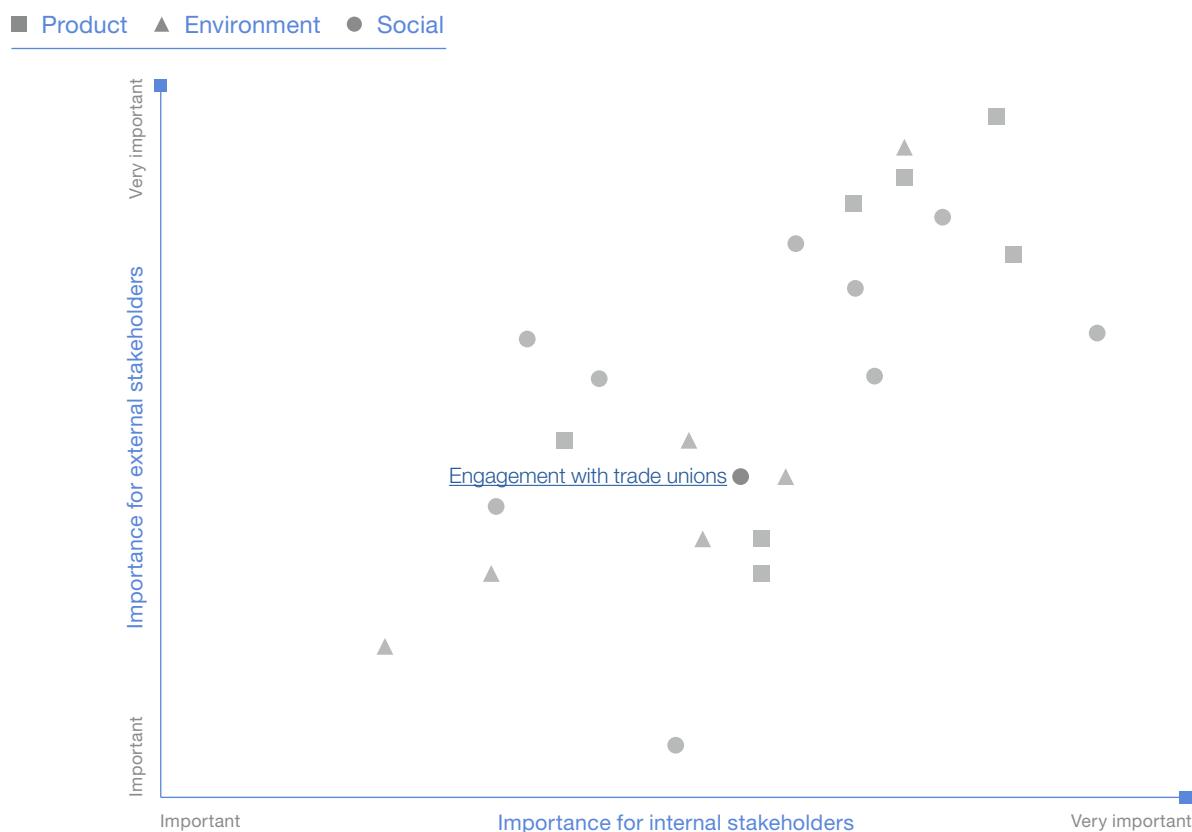


## Relationships and Memberships

### ■ Relationships and Memberships Overview

#### Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Relationships and Memberships will be reported.



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## Relationships and Memberships Overview

FCA believes that responsible corporate citizenship is also reflected through participation in public policy development and advocacy in the communities and countries where the Company does business.

The Group embraces dialogue and engagement with numerous organizations. It regularly participates in round table discussions and working groups at both the national and international levels to represent the interests of both the Company and its many stakeholders.

Relationships with organizations and associations are subject to the Group Code of Conducts and to the Business Ethics and Anti-Corruption Guidelines and Conflict of Interest Guidelines. Any advocacy activities are conducted in strict observance of applicable laws and regulations and fully respect the Group's core values and principles of fairness, transparency and integrity. Advocacy activities must be authorized at the appropriate level within each Group company.

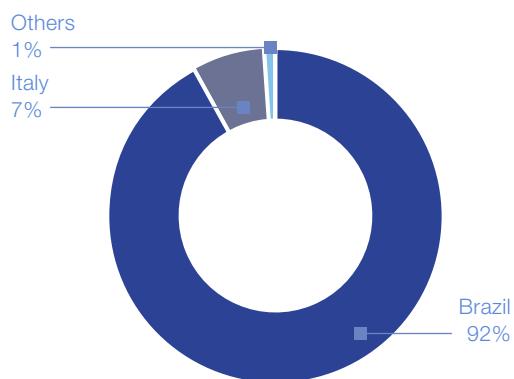
Dialogue with associations focuses on issues of an economic nature, such as those related to growth, development and Company performance; environmental issues linked to sustainable mobility; labor policies (flexibility, training, pension systems); and specific needs associated with FCA products, manufacturing and commercial activities (technical, trade and tax regulation).

FCA administration in tax matters is carried out with full transparency and keeping in mind the Group responsibilities with shareholders, employees, customers, suppliers and other stakeholders. Related policy is available in the sustainability section of the corporate website.

**Public funding**  
FCA worldwide (€ million)

	2014	2013
Grants	88	44
Loans	1,121	973
of which subsidized loans	1,121	571
of which EIB <sup>(i)</sup> loans	-	402

**Public funding by country**  
FCA worldwide - Percentage by country



<sup>(i)</sup> European Investment Bank.

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## Europe

GRI-G4 15, 16, EC4, SO6



In Europe, the Group belongs to trade associations such as the European Automobile Manufacturers' Association (ACEA) for passenger cars and commercial vehicles. Moreover, with respect to the natural gas vehicle (NGV) sector, FCA is also a member of NGV Italy and NGVA Europe, the industry associations with the mission to foster good relations with Italian, European and international institutions, and to define and advocate the positions of the European NGV industry.

FCA believes that advocating the use of natural gas in many different ways will help to secure sustainable mobility.

The Group also participates in working groups such as the European Round Table (ERT) for industrial leaders. Through ACEA, which interfaces on a regular basis with the major European institutions, FCA has contributed to the definition of regulations and directives on CO<sub>2</sub> emissions, technical car standards and international transport and trade policies, in an effort to ensure that regulations are balanced and sustainable for automakers and EU member states.

In some countries, dialogues occur through the employers' associations that Group companies belong to, such as the Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA) in Germany, Mouvement des Entreprises de France (MEDEF) in France, Confederación Española de Organizaciones Empresariales del Metal (CONFEMETAL) in Spain, Polish Confederation of Private Employers - Lewiatan (PKPP Lewiatan) in Poland, Confederação Nacional da Indústria (CNI) in Brazil and Cámara Nacional de la Industria de Transformación (CANACINTRA) in Mexico.

These associations act to protect the interests of their partners and represent them in social dialogue, both at the national and local levels, with the key political and administrative institutions, trade unions and other social parties.

Business Europe, the confederation of European businesses representing companies of all sizes through its 39 member federations from 33 countries, is a recognized partner that participates in social dialogue at the European Union level.

## North America

GRI-G4 15, 16, EC4, SO6



In North America, the Group works with several industry organizations.

The Alliance of Automobile Manufacturers is the leading advocacy group for the U.S. auto industry. The Alliance focuses on developing and implementing constructive solutions to public policy challenges that promote sustainable mobility and benefit society in the areas of environment, energy and motor vehicle safety.

The organization provides FCA US and the auto industry with a united voice on U.S. federal and state regulatory and legislative matters.

The Group is also engaged with organizations that focus on alternative propulsion or fuels, including the Natural Gas Vehicles for America, the Electric Drive Transportation Association, EV Everywhere, and H<sub>2</sub>USA.

As a founding member, FCA has a long history of working with the Automotive Industry Action Group (AIAG) and supporting critical projects. This cooperative forum for the auto industry is focused on improving business processes and practices involving trading partners and peers throughout the supply chain. Projects in corporate responsibility, supply chain management and quality allow both FCA and the industry to improve the quality and efficiency of daily work.

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## Brazil

GRI-G4 15, 16, EC4, SO6



In Brazil, the Group has long been an active member of the Associação Nacional dos Fabricantes de Veículos Automotores (ANFAVEA), among others. 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.

### Political donations

GRI-G4 15, 16, EC4, SO6



Any relationship between FCA and political parties and their representatives or candidates is conducted according to the highest standards of transparency and integrity.

Political contributions by the Group are only allowed where permitted by law and must be authorized at the appropriate level within each Group company. In 2014, no contributions were made by FCA to political parties. FCA does not have a Political Action Committee (PAC), but employees are free to make personal contributions to political candidates or parties, to the extent that these contributions do not violate corporate policy. Any political association or financial contribution made by Group employees is considered personal and completely voluntary.

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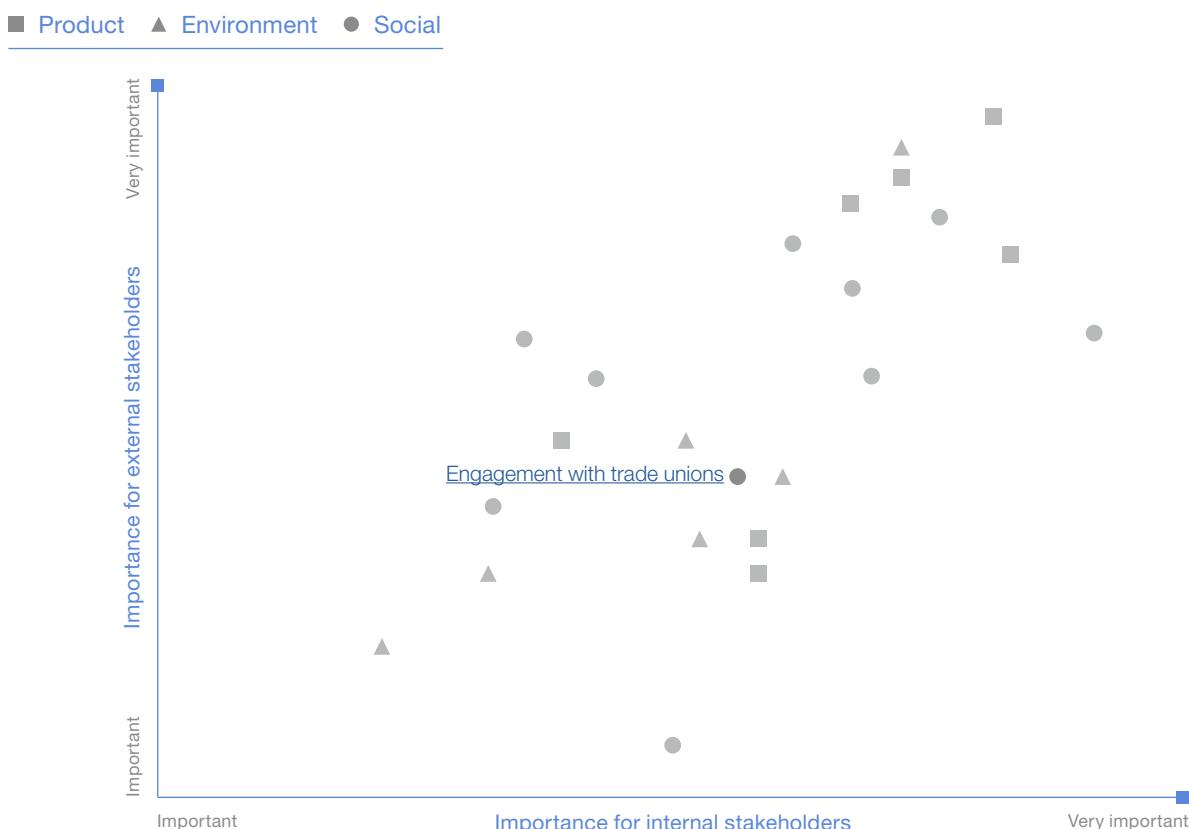


## Trade Unions

- Social Dialogue
- Collective Bargaining
- Management of Production Levels
- Freedom of Association and Representative Bodies
- Restructuring and Reorganization
- Labor Unrest
- Minimum Notice Period

### Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Trade Unions will be reported.



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## Social Dialogue

At the **Investor Day** held in Auburn Hills on May 6, 2014, FCA presented its **2014-2018 Business Plan** to members of the international financial community, dealers, suppliers and media. In addition, as confirmation of the importance the Group places on social dialogue, representatives of the most represented trade unions at Group companies in Europe, the U.S. and Brazil were also invited to attend.

The plan was also presented to the **Italian trade union FIOM-CGIL** on May 27<sup>th</sup> even though it is not a signatory to the company-specific labor agreement applicable to Group employees in Italy.

An event of major significance in 2014 was the Memorandum of Understanding signed with the UAW in the U.S. in January, which supplemented the Group's existing collective bargaining agreement and was entered into as part of the acquisition of the remaining 41.5% equity interest in Chrysler Group LLC from the VEBA Trust. Under the MoU, FCA is to provide additional payments to the **VEBA** Trust and the **UAW** has agreed to certain commitments to continue to support the Group's industrial activities, including using best efforts to cooperate in the continued roll-out of World Class Manufacturing programs, actively participating in benchmarking efforts associated with implementation of WCM programs worldwide, and actively assisting in achievement of the Group's long-term strategic plans.

At the European level, EU regulations require that all Community-scale undertakings establish a European Works Council (EWC), which ensures workers the right to information and consultation. Fiat S.p.A., the predecessor of FCA, first established an EWC in 1997 on the basis of the establishing agreement signed in 1996 and subsequently renewed (with amendments and modifications).

During 2014, FCA and the **industriALL European Trade Union** (The European federation of metalworking, chemical and textile sector trade unions) jointly agreed solutions to issues, primarily related to the absence of affiliated trade unions in certain Member States, that had prevented the proper establishment of a European Works Council in implementation of the renewal agreement signed in June 2011. The FCA EWC held its first meeting on 19-20 November 2014, with 16 members representing workers in each of the European member states where the Group has a significant presence. Also present were representatives of the trade unions signatories to the establishing agreement. During the meeting, management presented information relating to the Group's financial performance, changes in workforce, current market conditions and sales performance for each of the Group's main businesses. Participants were also given an overview of the 5-year business plan for EMEA, as presented on May 6<sup>th</sup>, as well as the corporate reorganization and creation of FCA completed during the year.

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## Collective Bargaining

Collective bargaining, conducted in accordance with local law and practice, resulted in various agreements with trade unions on both wage and employment conditions.

Worldwide, approximately 90% of FCA's employees are covered by collective bargaining agreements and 255 such agreements were entered into at company or plant level in 2014.

Outside Italy, an average 81% of employees are covered by collective bargaining agreements. That percentage varies from country to country on the basis of local practice and regulations. For the remaining non-unionized companies, 44.5% of employees benefit from conditions that are supplemental to or better than the minimum required by law.

In 2014, an analysis was conducted in those countries that have not ratified the **ILO Conventions** on freedom of association and/or the right to organize and collective bargaining. That analysis - which covered over 93% of Group employees in Brazil, the United States, Canada, Mexico, China and India - showed that these rights and principles are guaranteed through the implementation and application of national legislation.

For FCA companies in the European Union, wage negotiations in 2014 took into account the fact that the Group's operations in the region were still loss-making. Plants were operating below capacity and the auto market remaining weak as many European economies continue to struggle with low levels of inflation and, in some cases, even deflation. Accordingly, in 2014 the Group worked to contain the cost of labor without reducing activities or personnel.

### Collective agreements signed during the year at company/plant level

FCA worldwide (no.)

	<b>2014</b>	2013
Collective agreements	255	384

### Main issues covered under the agreements

FCA worldwide (%)

	<b>2014</b>	2013
Operating issue	51.4	44.0
Wage issue	29.0	24.5
Restructuring	14.5	7.6
Occupational Health and Safety <sup>(1)</sup>	9.0	8.6
Training	3.5	7.8
Equal opportunities	0.4	0.8
Other	13.3	12.5

<sup>(1)</sup> Including work-related stress.

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## Italy

GRI-G4 HR3 

In Italy, where all employees are covered by collective bargaining agreements. Also of major significance in this area are the supplementary pension and health care funds, which are the result of negotiations and continuous dialogue between FCA and trade unions.

Italian managers are covered by the company-specific collective agreement (applicable to both Fiat Chrysler Automobiles N.V. and CNH Industrial N.V.) renewed on 30 July 2014 with Federmanager and valid until the end of 2015.

On 11 July 2014, an agreement was reached with **FIM-CISL, UILM-UIL, FISMIC, UGL Metalmeccanici and the Associazione Quadri e Capi Fiat** for renewal of the company-specific collective agreement (CCSL) applicable to all non-management FCA employees in Italy.

The main provisions of the agreement for 2014 included: a €260 one-time payment to all personnel in the Company's employ on the date of the agreement, an in-principle agreement on the employment conditions already negotiated and a commitment to conclude a 3-year collective labor agreement with changes in current wage and employment conditions that reflect the operating requirements of the 2014-2018 business plan. Negotiations for renewal of the collective labor agreement, initiated in late 2014, are still ongoing.

## France

GRI-G4 HR3 

In France, the annual negotiation (*Négociation Annuelle Obligatoire*) concluded with no general wage increases except for the Magneti Marelli plant in Châtellerault, where the reference parameters for 2014 had already been agreed to with the trade unions in 2012.

Comau France SAS signed an agreement relating to the establishment, on a trial basis, of an extraordinary performance bonus (*Prime exceptionnelle de performance*) for the Comau sites in Castres and Trappes.

On the basis of the agreement, a variable bonus is payable in 2015 if the pre-established financial targets for 2014 are achieved.

## Serbia

GRI-G4 HR3 

In Serbia, the 3-year collective agreement for employees of Fiat Automobili Srbija d.o.o in Kragujevac was renewed at year end, bringing it into line with new labor legislation that came into effect in July 2014. In December, the Company defined criteria for the determination of the *Christmas Bonus*, which is based on actual hours worked. Following the establishment of trade union representation at Magneti Marelli d.o.o. Kragujevac and pending initiation of negotiations for a company-level agreement, the company will continue to apply the company's **Internal Rulebook**, which has been updated to reflect the requirements of the new labor legislation.

At Fiat Services d.o.o Kragujevac, trade union representation was established during the year and negotiations for a company-level agreement to replace the Internal Rulebook were initiated. The parties agreed to an extension of the original negotiating deadline to incorporate changes relative to the new labor legislation and negotiations were completed in January 2015.

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## Poland

GRI-G4 HR3



In Poland, company-level wage negotiations were limited to payment of a one-time amount for employees at Group companies where activity levels had been increased.

## Spain

GRI-G4 HR3



In Spain, an agreement was reached with trade unions in September to extend the collective labor agreement at Mecaner S.A.U., which expired at year-end 2014, for a further two years. Under the new agreement, wages will be increased by 0.5% in 2015 and 0.9% in 2016. This had a limited impact on total cost of labor and was consistent with the current activity of Mecaner, which produces sheet metal dies for FCA's main new models and needs to be able to guarantee flexibility and adequate levels of customer support.

## Brazil

GRI-G4 HR3



In Brazil, **FIEMG** (*Federação das Indústrias do Estado de Minas Gerais*) and metalworking sector trade unions for the State of Minas Gerais completed wage negotiations in November with agreement to increase the “database” (minimum wage) in line with the inflation. Agreements were also negotiated at company level that provided one-time amounts (of between BRL 641.09 and BRL 1,600) additional to the sector-level agreement.

## Mexico

GRI-G4 HR3



In Mexico, the annual contractual negotiation at Teksid Hierro de Mexico concluded with workers being awarded a 4.3% increase in hourly wages, in line with inflation. At the Comau facility in Tepotzotlan (since relocated to San Martin Obispo), workers received a 4.5% increase.

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## Management of Production Levels

The Group's 2014 financial results were significantly impacted by FCA's global diversification. During the year, the Group was able to respond to higher demand in several markets through the use of flexible labor mechanisms. Market conditions also enabled conversion of the majority of fixed-term contracts into permanent contracts.

### EMEA

GRI-G4 HR4



As described in its 2014-2018 Business Plan, the Group's new industrial strategy for EMEA entails increased support of the global sales for the premium brands (Maserati, Jeep, Alfa Romeo) and the 500 family. On the basis of that plan, the Group expects its plants in EMEA will achieve full capacity utilization by 2018 (based on the **Harbour method**<sup>(2)</sup>) thanks to 40% of total production will be destined for markets outside Europe.

With the European auto market only beginning to show signs of a recovery in the fourth quarter, work stoppages remained necessary in 2014. The Group maintained its policy of protecting jobs through the use of temporary layoff benefit schemes, where possible, or other mechanisms provided under collective bargaining agreements or company policy.

In Italy, Group companies continued to utilize temporary layoff schemes to manage weak demand levels and to implement various restructuring and reorganization activities linked to new investment. There was, however, a 22.1% decrease in utilization of these schemes versus the prior year, reflecting the gradual upturn in production and return of workers to the plants. These benefit schemes (funded by company contributions) continue to play an important role in managing market fluctuations and avoiding the need for redundancies.

It was a turnaround year for the Group's manufacturing activities in Italy, driven by a refocus on the premium brands. Examples include the Giovanni Agnelli plant near Turin, which produces the Maserati Quattroporte and Ghibli - the two largest contributors to the brand's record 2014 sales, and the SATA plant (Melfi), where more than €1 billion has been invested in production of the new Jeep Renegade and Fiat 500X. Launched in September 2014, the Jeep Renegade is the first FCA vehicle designed in the U.S. and built in Italy; this product, Jeep's first ever small SUV, will be sold in more than 100 countries. The Fiat 500X, which launched during the first quarter of 2015, generated significant interest even before its official introduction. Extremely positive results for these two new models enabled discontinuation of temporary layoffs at the Melfi plant as of December 31, 2014 and the return of all employees to work. In addition, the Group announced in January 2015 that more than 1,000 new workers would be hired at Melfi during the first quarter and 350 workers would be temporarily transferred from the Cassino and Pomigliano d'Arco plants to enable production at Melfi to be increased to full capacity. The Mirafiori complex in Turin is also undergoing retooling in preparation for production of several new models including the Maserati Levante SUV.

<sup>(2)</sup> Under the Harbour method, plant capacity is based on 235 days per year x 16 hours per day.

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## NAFTA

GRI-G4 HR4



In North America, FCA posted its fifth consecutive year of sales increases in the U.S. and its highest sales ever in Canada.

In 2014, FCA US increased vehicle production through revised operating patterns at in NAFTA facilities in response to market demand. To support the increase in production output, the company has correspondingly increased staffing levels, within manufacturing to support current and anticipated production volumes, as well as additional engineering, R&D and other highly-skilled employees to support product development, sales, marketing and other corporate activities.

## LATAM

GRI-G4 HR4



In LATAM, Group shipments were down year-over-year due to continued weak trading conditions across the region.

In Brazil, where the Group maintained its market leadership, the realignment of production levels to changes in market demand was primarily managed through the use of flexible labor mechanisms and reorganization of shifts, in agreement with the unions.

The new plant in Pernambuco, set to come on line in the first quarter of 2015, will have its own R&D center, proving grounds and on-site supplier park. The plant will have total production capacity of around 250,000 vehicles per year and will equip the Group to produce for new market segments with a particular focus on mid-size vehicles.

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## Freedom of Association and Representative Bodies

As set out in the Code of Conduct, employees are free to join any trade union organization provided they do so in accordance with local law and the rules of the trade union concerned. The Group recognizes and respects the right of its employees to be represented by trade unions or other representatives in accordance with local applicable legislation and practice.

In 2014, an analysis was carried out in those countries that have not ratified ILO Conventions on freedom of association and/or the right to organize and collective bargaining. It covered over 93% of the employees of Group companies in Brazil, the United States, Canada, Mexico, China and India, and showed that the application of these rights and principles is ensured through the implementation and application of local legislation.

Representative bodies, generally elected by local plant workers, are entitled to be informed and/or consulted and/or to negotiate on specific issues as provided by law or the applicable collective agreement. In the European Union, the law provides for establishment of employee representative bodies at companies and/or sites having more than the specified minimum number of employees. In North America these representatives are only present at sites where trade union representation has been established. In China, there are currently no laws requiring that trade union representation be established; however, employees are free to form a representative council in accordance with national labor laws. Based on those national labor laws, many cities and provinces throughout China have issued rules and regulations which only apply locally.

In Italy, the **Workers' Statute** (Law 300/1970) ensures representation at FCA companies through company or plant **level union representatives** (RSA). At the end of October 2014, 894 RSAs were present at Group companies in Italy. The RSAs for trade unions which are signatories to the CCSL are entitled to more hours of paid leave for trade union-related activities than required by Italian law, as well as the use of offices and computers, as provided by law. In addition, trade unions can use designated notice boards at each site, accessible to all Group employees, to post information and communications.

The system of participation provided under the CCSL fosters dialogue between the signatories and is organized into joint committees that operate at company and plant level. Issues addressed by these committees include equal opportunities, occupational health and safety, organization and production systems, company services and monitoring of absenteeism (including illness related).

At the national level, the CCSL provides for establishment of a **Bilateral Welfare Committee** and a **Joint Conciliation Committee**, whose role is to examine any unresolved conflicts at individual plants.

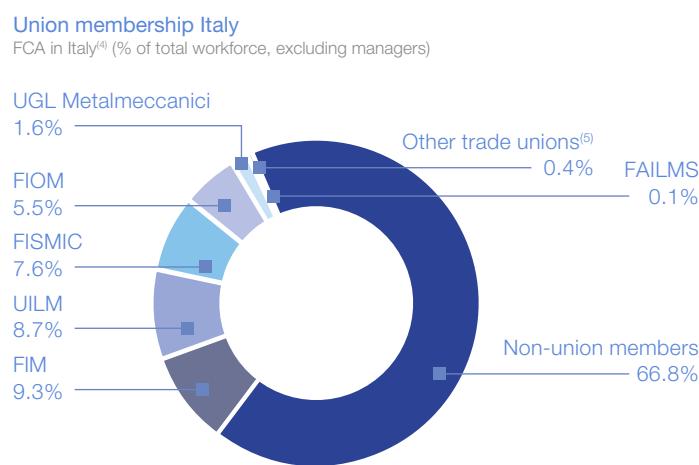
A survey of workers belonging to trade unions is not possible in all countries, since legislation on the freedom of association varies from country to country. In some countries, such as France and Germany, the decision to join a union is considered a personal matter for employees, who are not required to inform the company. In countries where the Group has a significant presence and that information is not considered sensitive, FCA conducts regular surveys on the level of trade union membership.

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## Italy

GRI-G4 HR4 

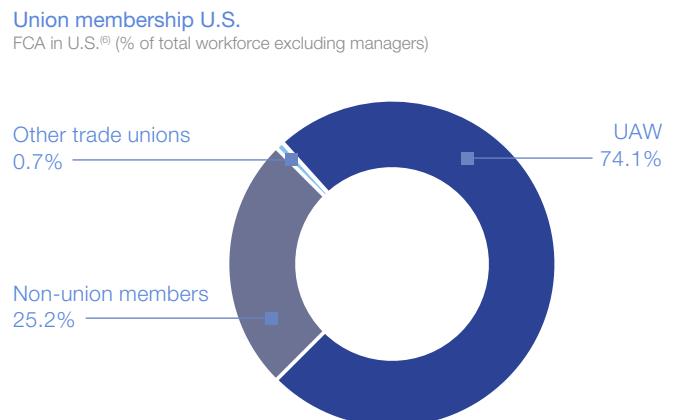
In Italy, a survey revealed that 33.2% of workers were trade union members in 2014 (compared with 32.8% in 2013). In addition to the rights granted to all Italian trade unions and workers concerning freedom of association, FCA provides an additional service to its employees by paying trade union dues on behalf of those employees who are members of trade unions that are signatories to the FCA first-level Collective Labor Agreement (CCSL). Trade union dues for employees who are members of trade unions that are not signatories to the FCA CCSL are paid either directly by employees or via deductions from employee's wages<sup>(3)</sup> through the company.



## United States

GRI-G4 HR4 

In the United States, 74.8% of Group employees are union members, almost all with the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America or "UAW". In 2014, the UAW represented a total of approximately 40,000 FCA hourly workers and nearly 3,300 salaried workers.



<sup>(3)</sup> Cessione del credito retributivo.

<sup>(4)</sup> Covers 99.8% of non-management employees.

<sup>(5)</sup> Other trade unions include independent trade unions.

<sup>(6)</sup> Covers 99.8% of non-management employees.

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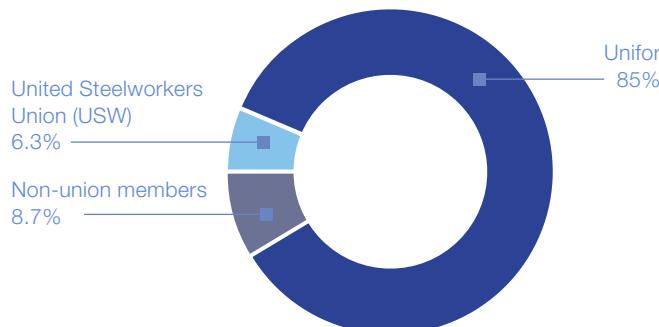
## Canada

GRI-G4 HR4



In 2014, Unifor represented approximately 9,500 FCA hourly workers and more than 100 salaried workers in Canada.

**Union membership Canada**  
FCA in Canada<sup>(7)</sup> (% of total workforce excluding managers)



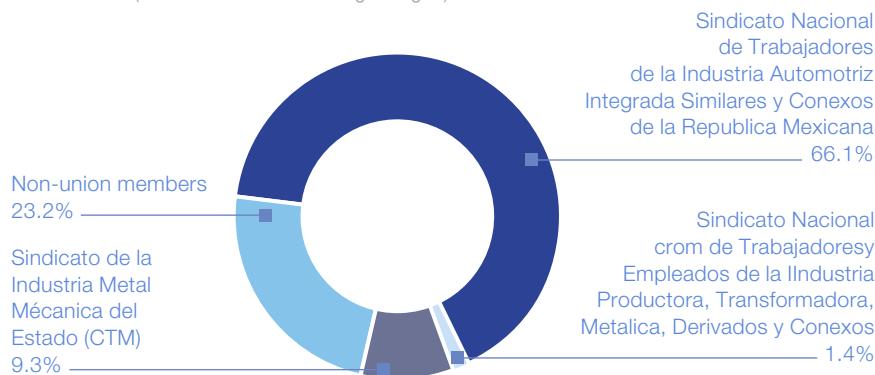
## Mexico

GRI-G4 HR4



In Mexico, the *Sindicato Nacional de Trabajadores de la Industria Automotriz Integrada, Similares y Conexos de la República Mexicana* represented approximately 8,000 hourly workers at eight Group facilities.

**Union membership Mexico**  
FCA in Mexico<sup>(8)</sup> (% of total workforce excluding managers)



<sup>(7)</sup> Covers 100% of non-management employees.  
<sup>(8)</sup> Covers 79.2% of non-management employees.

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## Venezuela

GRI-G4 HR4



In Venezuela, the *Sindicato de Trabajadores de Chrysler de Venezuela LLC* represented more than 750 hourly workers.

## China

GRI-G4 HR4



FCA companies in China comply in all material respects with the applicable laws and regulations, including those permitting the adoption of advanced labor practices relating to: contracts, working conditions, safety, establishment of union representation (for example Hefei Magneti Marelli Exhaust Systems) and involvement in the company's decision-making processes. Where representation exists, the trade unions are ensured the appropriate conditions to operate internally. Where union representation is not established (usually in small companies where there is no legal requirement or employee request), Human Resources department ensures implementation of applicable laws and adopts advanced practices, informing employees on relevant labor and other issues.

## Restructuring and Reorganization

In Italy, use of temporary layoff benefit schemes enabled the Group to manage production declines, as well as restructuring and reorganization activities related to investment programs. Redundancy plans activated during the year, in agreement with trade unions, affected just over 900 workers (including workers at Termini Imerese). Of that number, approximately 150 will become eligible for retirement during the period covered by the **redundancy scheme (mobilità)**<sup>(9)</sup>. In 2014, approximately 240 employees were affected by redundancy schemes agreed with unions in prior years. As in previous years, those individuals received an additional leaving incentive as established in the relevant trade union agreements.

In December, the Ministry for Economic Development completed its evaluation of solutions for the Termini Imerese plant where, as announced in 2009, the Group ceased production in December 2011. Blutec Srl (a Metec Group company) was selected to take over operations and the plant's assets and employees were transferred to Blutec by FCA Italy SpA effective December 31, 2014. Based on a reached agreement, 55<sup>(10)</sup> workers were made redundant effective December 31, 2014. This figure was significantly lower than the 759 redundancies planned when the procedure was first activated.

During 2014, workers were covered by temporary layoff benefits at Melfi, while the plant was being retooled in preparation for the new models. Training courses were also held during the year to retrain employees in preparation for the plant's relaunch.

The training encompassed a number of areas, including WCM, ergonomics and working methods.

WCM, in particular, is central to the new working methodologies and technical innovations introduced at Melfi for the production of the new models.

Beginning with the **Work Place Integration process** and a simulated work environment installed at the plant, know-how and experience from previous launches were used to design the most efficient, ergonomic and error-free workstations possible.

Various tools were used to provide more than a million hours of training to plant employees; the tools included 3D simulations theory, practical training in a simulated work environment and assembly line based methods using the Manufacturing Training System.

Elsewhere in Europe, there were minimal stoppages directly related to fluctuations in demand. There were no significant restructurings or reorganizations during the year.

<sup>(9)</sup> Government benefit scheme for employees affected by collective redundancies. The benefit period is 3 years in Northern Italy and 4 years in Southern Italy. The scheme is funded by contributions from employers.

<sup>(10)</sup> Included in reported number of employees leaving the Group in 2014.

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## Labor Unrest

In 2014, the level of labor unrest at FCA companies in Italy, including local labor actions, was negligible in terms of the number of instances and level of employee participation.

Outside Italy, the overall level of labor unrest was negligible and mostly related to local issues at individual plants.

## Minimum Notice Period

In the European Union, Directive 2001/23/EC stipulates that in the event of transfer of an undertaking, business, or part of an undertaking or business as a result of a legal transfer or merger, an information and consultation procedure must be implemented with employee representatives.

The procedure must be initiated reasonably in advance of the transfer. FCA companies comply with that Directive as implemented by the relevant laws and regulations in each EU member state.

In addition, the establishing agreement for the FCA European Works Council sets out the specific areas in which employees are to be informed and consulted. Those include: fundamental changes in the organization, introduction of new working methods and new manufacturing processes significantly affecting the Group as a whole, and reductions in size or the closure, relocation of production, or merger of companies or business units having a substantial impact on employment at a global level.

Outside the European Union, local laws and practices apply.

In the United States, a federal law known as **WARN** (Worker Adjustment and Retraining Notification Act), which applies to both unionized and non-unionized sites, requires an employer to give a minimum of 60 days' notice of any action that will cause at least 50 employees or 33% of the workforce to lose their jobs.

In 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 Chrysler Canada employees are located in Alberta and Quebec, where the maximum notice requirement is eight weeks for employees with more than ten years of service. At unionized sites and/or plants in the United States 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 plant level; the agreements also usually specify the information and consultation procedures to be followed in such circumstances. At non-unionized 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.

In Mexico, companies are required to notify the Secretary of Labor and Social Welfare, as well as the trade unions prior to any large-scale employee layoffs or plant closures. However, no notification period is expressly defined in Mexican labor law.

In Venezuela, the notice period varies based on length of service.

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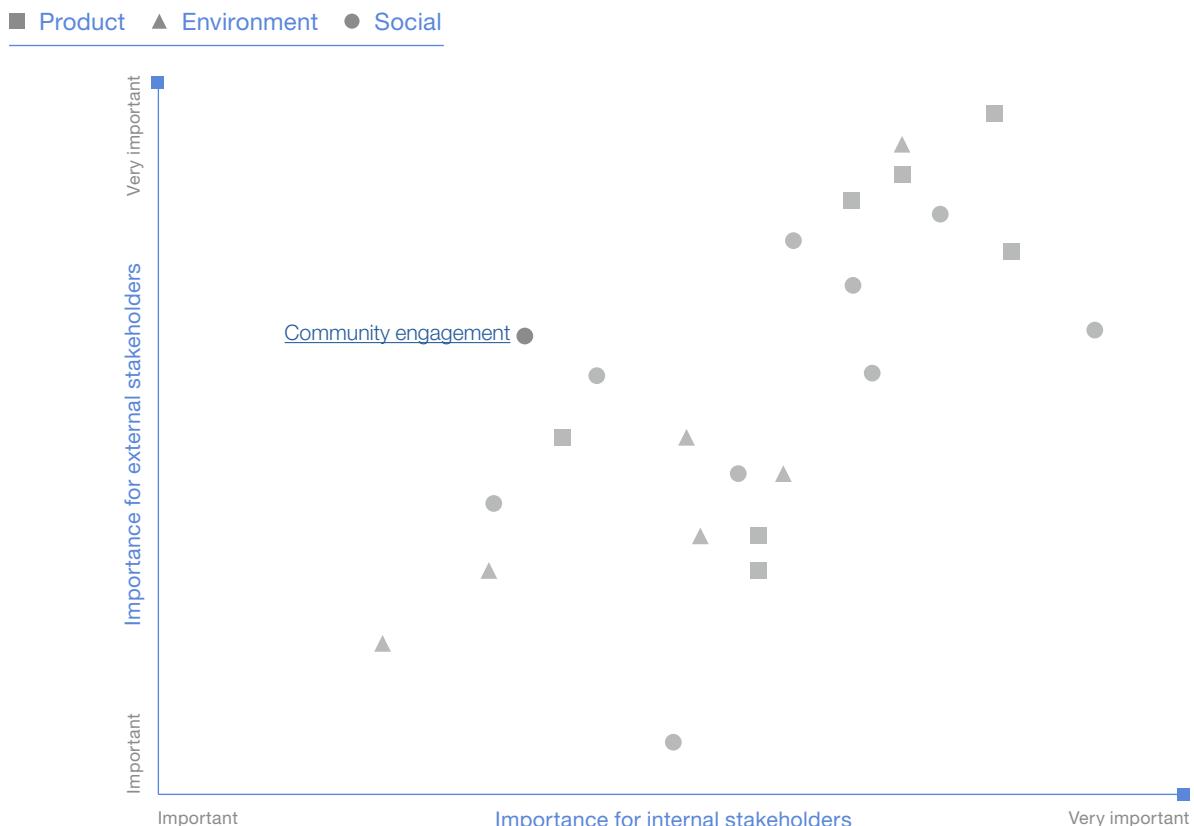
## Communities

- Community Overview
  - Self-sustaining Development
  - Supporting Education

▲ Sustainability Plan

## Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Communities will be reported.



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## Community Overview

Fiat Chrysler Automobiles operates under the fundamental belief that the Company has a moral responsibility to contribute positively to the greater community. This belief is deeply embedded in the corporate culture and shapes the way the Company acts and makes decisions. By developing fully engaged employees who are capable of leading in the workplace and in the community, the Group is building a more secure future for its industrial enterprise as well as for society as a whole.

Corporate citizenship efforts primarily target areas where we have operations, as this is where we can be most effective. Our presence in these communities enables us to best assess particular needs and challenges related to social, economic and cultural aspects. Our ongoing engagement and strong relationships with community, academic and political leaders enables us to develop programs for the benefit of all. While financial donations continue to play a role in our citizenship commitment, the Group's primary focus is on initiatives that strengthen communities by helping them help themselves. FCA's goal is to encourage and assist our engaged and skilled workforce to help build strong, self-reliant communities.

In 2014, the Group committed resources for a value of more than €24 million<sup>(1)</sup> to benefit local communities. In addition to direct cash contributions and donations in kind, FCA also supported local communities when permitted by Company policies by encouraging employees to participate directly in volunteer activities during work hours.

In order to make a sustainable improvement in local communities, the Group prefers investments designed to enhance community development (39% of total value of investment in local communities) over a simple donation of money.

The Group's 2014 activities focused on a variety of causes: 53% for promotion of education, culture and art (scholarships represented about one-third of educational spend)<sup>(2)</sup>; 22% for social welfare projects addressing issues such as disability, eldercare, etc.; 1% for emergency relief efforts; and 24% for other areas, such as health (representing 19%).

From a regional perspective, the Group primarily made investments in Europe where 45% of the total resources were donated. North America followed, with 27% of investments and the remaining funds were donated in Latin America (26%), Asia (1%) and the rest of the world (1%).

The Group Code of Conduct best expresses the Group's commitment to community development in the following statement: "the Group is aware that its decisions can have significant impacts, direct and indirect, on the local communities in which it operates" and accordingly "seeks to contribute to the social, economic and institutional development of local communities through specific programmes" generally established based on engagement initiatives with the local community and impact assessments.

By engaging with non-government organizations and local charities, the Group establishes a collaborative relationship with communities and authorities, strengthening its social commitment to operate.

The initiatives of the business call for FCA to take all reasonable steps to inform communities of relevant actions and projects and to promote an open dialogue to ensure that community expectations are taken into due consideration. Human Resources managers are involved in all areas of the organization, and as such continually interact and maintain dialogue with community representatives and local authorities. Based on their interaction, our managers are able to directly assess the needs and the impact of the Company's industrial activities.

<sup>(1)</sup> Based on non-accounting data and calculation methods. Also includes estimates. Amounts in currency other than euros were converted at the average progressive annual exchange rate at 31 December, 2014. The reported figure doesn't include initiatives whose sole purpose is to promote a brand. Amounts refer to all FCA companies worldwide.

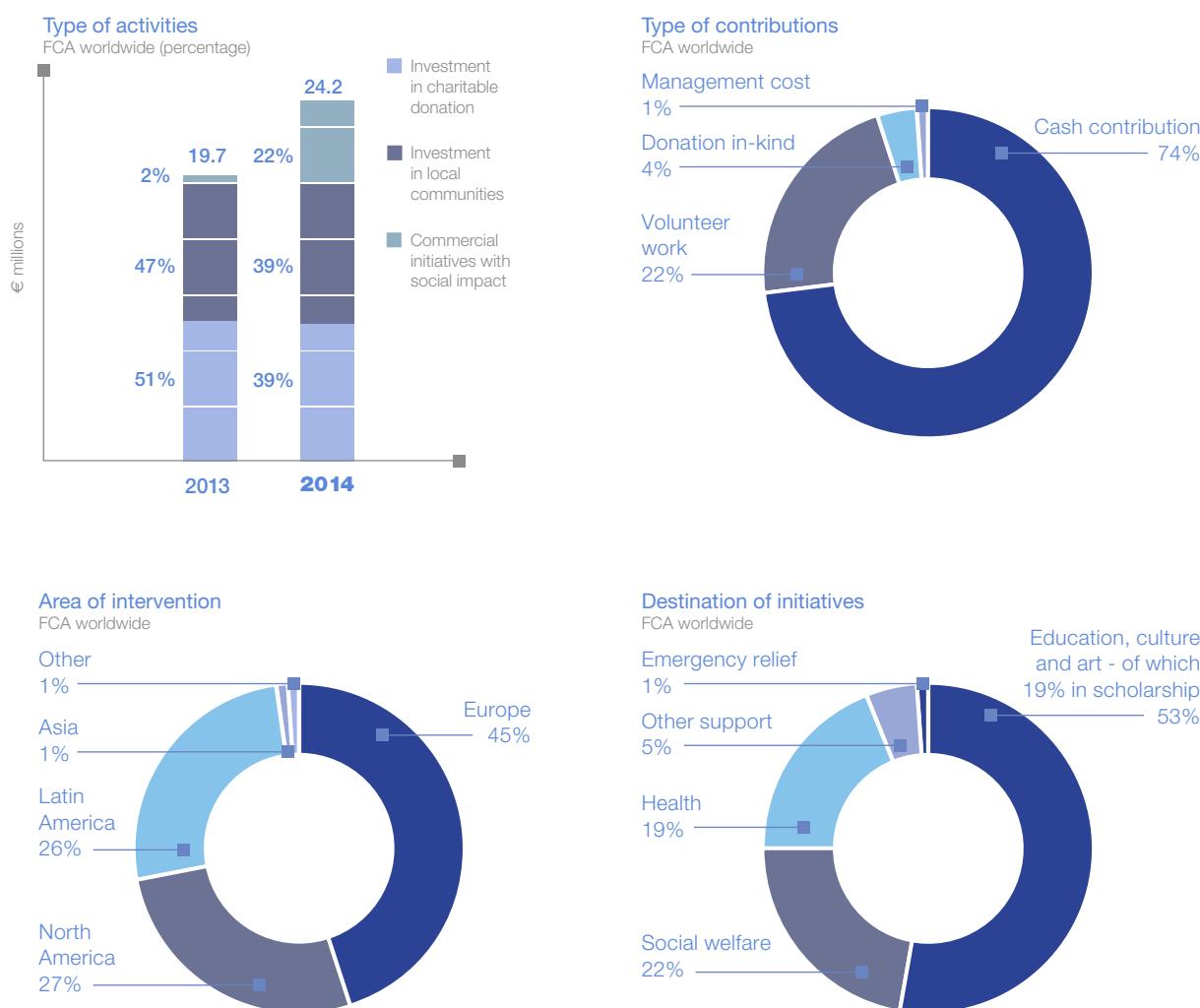
<sup>(2)</sup> Includes scholarships granted within the corporate program and other initiatives at the local level.

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Our employees are asked to behave in a socially responsible manner by respecting the cultures and traditions of each country where the Group operates and act with integrity and good faith in order to merit the trust of the community.

Investment Guidelines of the Group provide direction on how to manage the various initiatives to benefit communities and define the commitment to implementing initiatives that are consistent with each brand's core characteristics and positioning. Every initiative is managed at the plant, Company and brand level, and those that are financially significant are approved and supervised at the corporate level. The FCA Foundation, which supports a wide variety of charitable and community-based local and global organizations, manages a portion of Group charitable activities. The Foundation is an independent, nonprofit organization sponsored exclusively by FCA US and governed by its own Board of Trustees consisting of five corporate executives.

Specific indicators are used to measure the impact of initiatives in order to evaluate the benefit for the local community. This helps to ensure that the Group's activities remain aligned and relevant to the current needs of the regions involved. In addition, these metrics assist in evaluating potential opportunities for development or extension of programs, as well as turning successful individual activities into long-term commitments.



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## Self-sustaining Development

At each location, FCA is committed to operating in a way that generates local growth while respecting the interests of the various stakeholders.

To achieve this self-sustaining development, three main conditions must be met:

- the identification and cultivation of local assets
- the establishment of collaborative processes to plan and implement change
- the encouragement of a local mindset that fosters growth.

These three conditions require a relationship of mutual trust between FCA and the local community and its institutions.

A selection of regional initiatives from across FCA's worldwide operations are described in this report, chosen for their distinctiveness and their economic or social significance.

### Initiatives across EMEA

To be a responsible member of a local community, it is essential to have an understanding of the social conditions in the area. FCA's efforts in Serbia are an illustration of what can be achieved through collaboration on socially-responsible activities and projects.

FCA's role also expanded to become an active promoter of development in Serbia. The Company's commitment moved from being an employer, to include a variety of initiatives to improve living and working conditions as well as to support local sports clubs, educational programs, and philanthropic projects.

Fiat Automobili Srbija (FAS) also implemented a multi-phase project to create a culture of health and safety in the workplace, including training on correct safety procedures and an environmental awareness campaign organized in collaboration with the city of Kragujevac and local schools.

In 2014, FAS launched the *Fiat Smart Kid* campaign in cooperation with the Serbian Agency for Traffic Safety as part of the Group's long-term commitment to promoting traffic safety. This campaign focused on raising awareness of parents and children on aspects of traffic safety.

At the beginning of the school year, traffic safety presentations were held at 24 elementary schools in and around the Kragujevac area. Small gifts were presented to the 1,750 first graders to foster engagement.

A special campaign was conducted to donate 10 car seats to the first 10 babies born in Kragujevac on November 16, the World Day of Remembrance for Road Traffic Victims.

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## Initiatives across NAFTA

In 2014, the Company relaunched its well-established volunteer program under the name *Motor Citizens*. The program offers more than 15,800 salaried employees in the U.S., Canada and Mexico 18 hours paid time off each year to volunteer for nonprofit organizations of their choosing, as well as for Company-sponsored initiatives. Under this policy, in 2014 more than 6,800 employees committed more than 32,852 total work hours to participate in 665 volunteer activities. An estimated 6.3 million community residents benefited as a result of these programs.

The FCA Foundation has also established a grant program to supplement employees' Motor Citizens volunteer service. The Foundation provides eligible U.S. nonprofits a €376.43 grant when a team of 10 or more employees contributes a combined total of 30 hours of service to an individual service project. In addition, the Motor Citizens website was created to promote local opportunities, register participants and track volunteer hours. Nonprofit organizations can access the website to list their events in order to solicit volunteers from FCA.

To commemorate the launch of Motor Citizens, employees in the NAFTA region participated in charitable events. Employees at the FCA US headquarters packaged 70,000 meals for *Stop Hunger Now*, an international hunger relief agency. Using an assembly line-style process, 260 employees combined more than 7,000 pounds of rice, 2,900 pounds of soy, and 350 pounds of vegetables with a seasoning mix to create small meal packages. The assembled meal packages were shipped to Brazil to support school programs and crisis relief.

In Canada, employees raised awareness of the need to support local food banks year round by donating their time at the Downtown Mission of Windsor. A Dodge Grand Caravan full of employee-donated food items was delivered to the Mission, together with a cash donation.

In Mexico City, 60 volunteers from FCA Mexico helped package and deliver more than seven tons of food (approximately 10,500 meals) in conjunction with the Solo por Ayudar Foundation. The food was distributed to a community located near the Company's Toluca Complex.

FCA employees also continued to support the United Way in the U.S. and Canada, donating about €4.7 million in 2014. United Way is a non-governmental organization (NGO) operating in 45 countries worldwide that is committed to improving living conditions in local communities, focusing in particular on education, financial stability and basic needs.

To kick off the annual United Way campaign, FCA adopted *Mittens for Detroit* (MFD), a charity that's known for "warming hearts, two hands at a time." FCA employees collected a record 35,000 pairs of new gloves and mittens, helping the charity to double its 2013 campaign.

FCA demonstrated its commitment to the City of Detroit's revitalization by pledging to support the Detroit Institute of Arts (DIA) *Grand Bargain* fund. This campaign was established to help the City of Detroit emerge from bankruptcy while supporting city pensioners and protecting the museum's extraordinary art collection for the public. In addition, the FCA Foundation continued its support of a multi-year pledge totaling about €3.8 million to the M-1 Rail project, a streetcar mass transit system being developed to serve residents and workers in Detroit's Mid-town district.

The FCA Foundation also coordinated with the Company's vehicle brands to support impactful charitable programs. In collaboration with the Chrysler brand, a grant was awarded to the Posse Foundation, a leadership development program that recruits and supports student leaders with college scholarships and mentoring through unique multicultural teams. The Fiat brand collaborated with The Trevor Project to support its suicide prevention services for lesbian, gay, bisexual, transgender and questioning young people. The FCA Foundation also worked with Mopar and the NHRA Motorsports Museum to establish a defensive driving educational program to train young drivers. The Ram brand continued its existing partnership with the First Response Team of America to support the organization's natural disaster rescue and recovery programs. The Foundation also worked with the Ram brand to support the Texas Ranger Hall of Fame and Museum which honors the legacy of one of the nation's foremost law enforcement agencies. This grant will also be used to support educational scholarships for children of active duty Texas Rangers.

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## FCA Mexico Community Development/Social Welfare

In Mexico, the Foundation also worked with institutions in Mexico that have self-sustaining projects focused on caring for persons who are disabled, homeless, sick or orphaned. It supported integral programs and strategic alliances with foundations that provide proper housing, school and food supplies for children, the young and elderly people. The Foundation provided food supplies, clothing, appliances and toys for these institutions. It also participated in construction and reforestation programs in communities near our FCA manufacturing facilities. In 2014, FCA Mexico employees contributed 5,552 volunteer hours in the communities where they live and work.

## Initiatives across LATAM

As the largest automaker in Brazil, FCA has become integrated into the cultural and social fabric of the country. Given this role, the Company bears a special responsibility to develop and strengthen the communities where we operate.

Created in 2004, the *Árvore da Vida* program has contributed to bringing increased prosperity to the Jardim Teresópolis community near the FCA Betim plant. Conceived by FCA and developed in partnership with the organizations Fundação AVSI (Voluntary Association for International Service) and CDM (Cooperation for Human Development and Housing), the program promotes social, cultural and economic development by encouraging the independence and empowerment of local residents.

Since its inception, the primary concept behind the program was that the mutual interdependence of business and society implies that both company decisions and social policies follow the principle of shared value generation. To achieve this, any intervention must arise from a broader awareness of the real needs of the community. The program began with the execution of an extensive analysis of the region. This study revealed a low rate of education, low family income, high violence rates and a flat social structure. Consequently, the program focused on sports, socio-educational initiatives, professional qualification programs and support for entrepreneurship and community development. In 2006, a development network was formed by local representatives, and a women's cooperative for production of items with recycled automotive industry material was created.

Engagement with stakeholders to understand their needs and expectations gradually became part of an ongoing broader strategic intervention, which involved close collaboration with local institutions and the non-governmental organizations ASVI and CDM.

Ten years after the program's first initiatives were launched, *Árvore da Vida* has achieved significant results and benefited more than 21,000 individuals. *Árvore da Vida* has resulted in improved income, higher school performance and increased development. In 2014, €4.6 million were invested in this project and other initiatives to community. Cooperarvore, the social cooperative formed by women from the community in 2006, recycled more than six tons of material, such as seat belts and automotive fabric, in 2014. Since its creation, the organization has recycled more than 23.7 tons of material. The average family income of cooperative members increased 100%<sup>(3)</sup> (increase in monthly withdrawal from the cooperatives from 2007 to 2014). The Cooperative revenues increased 67% from 2006 to 2014. As a result of the *Árvore da Vida* program, the community's own resources and local capital have become the main factor in successful local growth and self-sustaining solutions.

FCA encourages cross-sector development that welcomes partners such as suppliers, universities and governments into the *Árvore da Vida* program; to this end, the Fiat Citizenship Network (Rede Fiat de Cidadania) was created, and is now 29 members strong.

<sup>(3)</sup> Increase calculated by the nominal value adjusted by IGP-M (FGV) and represents the net value of increase.

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For the program's ten year anniversary celebration, FCA launched *Árvore da Vida 10 + 10*. This platform brought together various stakeholders from the community, social institutions, public authorities and local companies to build an innovative process of collaborative strategic planning. The process resulted in the creation of a *Vision of the Future* for the next decade, which was presented during the Forum of Jardim Teresópolis's Social Development Network.

FCA's experience with *Árvore da Vida* has become a benchmark training ground, and has led to the creation of the *Our Betim* project which was launched in December 2010. *Our Betim* was inspired by the Sustainable Cities movement, and is guided by the principles of sustainable development, ethics and participatory democracy. It is a citizens' initiative independent from political parties and religious groups, uniting people and social organizations with companies that respect their diversity and independence, on the condition that they are willing to work together to improve the quality of life in the city of Betim. The movement developed a system with the principal social elements of the city (education, health, employment, poverty, literacy, etc.), organized by region. This information is essential to influence public policies in order to promote better and more equitable living conditions for the population.

The success of these programs has strengthened FCA's license to operate in the various communities by gaining respect and credibility among local stakeholders. The engagement and trust of FCA's many stakeholders are essential for major projects such as the new plant in [Pernambuco](#), Brazil.

## Initiatives across APAC

In the APAC region, a number of initiatives have been launched to target very specific needs of the community.

Fiat India Automobiles Private Limited (FIAPL) launched the *Joy of Giving* program to mark the October 2 birth anniversary of Mahatma Gandhi, the father of the nation. Building on the success of the 2013 initiative, the program was expanded to more non-governmental organizations (NGOs) focused on specific under-served segments of the population in the Pune District, including the blind, the orphaned and nomads. Based on a "wish list" from the organizations, in 2014 employees and the Company donated clothes, school materials, stationery and food items. As a result of the positive impact that was made on the lives of the recipients, FIAPL employees will continue this activity in the future.

FIAPL also partnered with other organizations in 2014, most notably Jaipur Foot. Through this organization, FIAPL sponsored the distribution of artificial limbs to improve mobility for those in need. More than 100 lives have benefited from this program, which is projected to continue to grow. Since 2008, the Fiat India offices have also partnered with smaller local organizations to ensure the education of street children. They have invested in water purifiers to provide the children with clean drinking water, donated books and clothing, and taught English to children with disabilities. These efforts have benefited more than 500 children per year. Many of the employees volunteer hands-on time with these organizations under FCA India JV's volunteer policy.

To encourage spouses of employees to start their own ventures with very little capital investment, FIAPL has worked with an NGO called Jan Shikshan Sansthan. A workshop on how to make candles and liquid soap was organized, together with a brief presentation on women's empowerment.

Magneti Marelli collaborates with the CESVI organization to support the Houses of Smiles project in India. This program provides children and teenagers in the Tamil Nadu region a safe and protected environment where they have access to housing, proper nutrition and education. These projects are managed by local partners with decades of experience in the area.

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## Supporting Education

FCA believes that one of the key factors to accelerate economic growth and promote employment is to ensure that younger generations have the needed skills to succeed in the labor market.

To this end, the Group pursues the goal of helping students complete their schooling through a variety of education and training initiatives in communities around the world. By investing in education, FCA helps students obtain the technical skills necessary to address the many social and environmental challenges facing our ever-changing world.

### Education across EMEA

In 2014, FCA supported Turin's application to join the UNESCO Creative Cities Network, reflecting FCA's commitment to promote international cooperation and foster the role of creativity in sustainable urban development.

FCA 4Teen is another initiative promoted by the Group that focuses on youth creativity, and in particular the 500X 4Teen: Libera la tua creatività" (Get creative) project. The competition is dedicated to students of 14 high schools in Turin and Melfi. These two Italian cities are ideally linked because the new Fiat 500X was developed in Turin and produced in Melfi. By engaging young people, FCA provides an important opportunity for the exchange between school and industry. After participating in a creative lab, the students are asked to envision their own 500X. In 2015, a panel of FCA marketing and design experts will select and award the best 500X 4Teen projects and schools.

The project was endorsed by the City of Turin and promoted by the regional education department and continues FCA's long-term collaboration with the school, which also includes the initiative [Fiat Likes U](#). In addition, FCA 4Teen includes other educational activities for students such as guided tours of FCA facilities (e.g., the Melfi and Grugliasco plants, the Orbassano Safety Center) and educational lectures by FCA experts. In 2014, the Group also supported the FAI (Fondo Ambiente Italiano) through the corporate membership program *Corporate Golden Donor*. This program educates the public and promotes awareness of the arts and nature within the community.<sup>(4)</sup>

FCA extended its partnership agreement with Politecnico di Torino to 2018, including a commitment from FCA to provide €7.4 million in funding and other resources. For the 2010-2014 period, 402 of a total 621 students that enrolled in the degree program (with foreign students representing half), completed the Laurea Magistrale and 16 received a dual Master's degree from Politecnico and the University of Windsor in Canada. FCA personnel conducted 25% of the training and collaborated on a number of joint research programs, in addition to being involved in workshops, summer courses and student projects.

As the demand for skilled professionals grows, Comau, in collaboration with Politecnico di Torino and funded by the Region of Piedmont, has organized a Masters in Industrial Automation to train graduates for a role within the Italian manufacturing industry. The two-year post graduate program objective is to attract the best graduates in engineering from Italian and foreign universities. These students will be provided specialized training in industrial automation to prepare them for a two-year advanced apprenticeship with the Group. The curriculum also includes a focus on environmental sustainability and approaches used to reduce vehicle emissions.

The program is taught in part by Comau managers. It is conducted entirely in English with 540 hours of theory in the first year, and 660 hours of project work at Comau in the second year. The program has been very successful, with 59 engineers hired from the first three graduating classes. A total of 21 students enrolled in the 2014 program.

As part of the partnership between FCA and Politecnico di Torino, five Voluntary Educational Programs (VEP) were established based on existing needs and priorities in the automotive sector. Group personnel provided a total of 228 hours of instruction, of which 120 were focused on environmental issues.

Starting in 2013, a 60-hour VEP has been offered to students in the Automotive Engineering program. Entitled *Working in a Global Company*, this program is designed to expand their knowledge of organizational behavior and the dynamics of working in cross-functional teams within a global organization.

<sup>(4)</sup> FAI is a national, not-for-profit trust that was established in 1975 and has since gone on to save, restore and open to the public numerous fine examples of Italy's artistic and natural heritage.

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## TechPro<sup>2</sup>



TechPro<sup>2</sup> is an international project created in association with the Salesian Vocational Training Centers. The project offers young people who are often from disadvantaged backgrounds an opportunity to complete their education and receive specialized training to prepare them to work in the automotive industry. In 2014, approximately 2,700 students took part in the program, receiving more than 2.6 million hours of training in seven different languages at 52 locations around the world. During the year, the program was expanded to include Argentina, India and the Philippines.

The courses provide students theory and practical training at Vocational Training Centers that are managed by the Salesians and designed and equipped by FCA, applying the same standards as the FCA service network. Second- and third-year students have the opportunity to gain important hands-on experience through internships and apprenticeships at FCA service centers. New in 2014, as part of the GOAL<sup>(5)</sup> project, several students from the TechPro<sup>2</sup> training center in Brescia (Italy) had the opportunity to take part in an international internship at the Italian Motor Village in Valencia, Spain.

In the FCA service network, service advisors are responsible for the initial assessment of vehicles brought in for service and are the primary point of contact with the customer. They play a very important role in overall customer satisfaction. Beginning in 2012, the Italian training centers expanded their curriculum to prepare students for the role of service advisor. The emphasis and focus of this training was to increase professional behavioral skills and complement the technical know-how acquired. The program was so successful that it gained the attention of other TechPro<sup>2</sup> centers around the world, including those in India, that have decided to adopt similar training modules.

The TechPro<sup>2</sup> program also places significant emphasis on the study of vehicle diagnostics, including the use of the Group's proprietary wiTECH<sup>plus</sup> diagnostic instrumentation, and the functioning of natural gas propulsion systems. In Argentina, course materials focus on TwinAir and MultiAir technology, with an emphasis on environmental performance.

The Virtual Classroom initiative was established to coordinate apprenticeship opportunities in the FCA network, and in turn led to an increase in the number of internships offered. In addition to the educational opportunity for the students, TechPro<sup>2</sup> and the apprenticeship program played a vital role in giving the Group greater access to essential highly-skilled workers. In 2014, 731 second- and third-year students in Italy were enrolled in apprenticeships, with 43% at apprenticeships within FCA's authorized service network.

CNOS-FAP (Centro Nazionale Opere Salesiane) manages the vocational training centers and conducted a survey of 381 students who had completed the program the previous year. That survey revealed that, despite the current difficulties in the auto sector, 36% of students in Italy had already found a job. In India, the percentage was more than double.<sup>(6)</sup>

<sup>(5)</sup> Framework Lifelong Learning Programme - Leonardo da Vinci Mobility Measure IVT - EAC - S07-12.  
<sup>(6)</sup> Source: CNOS-FAP, "Monitoraggio Successo Formativo Globale 2014".

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## Education across NAFTA

In the U.S., a collaborative partnership was formed in 2014 with Florida International University's (FIU) College of Engineering and Computing. Faculty and students from the university began rolling engineering education into south Florida's public school classrooms with the launch of "Engineers on Wheels," an innovative, hands-on STEM (Science, Technology, Engineering and Math) education initiative. FCA US donated a new Ram ProMaster van, while its charitable arm, the FCA Foundation, donated about €11,200 to help FIU establish the Engineers on Wheels program. Engineers on Wheels gives the university an opportunity to take lab experiments and instruments into the schools and reach a larger audience while showing students what engineers do and what it takes to become an engineer. The Engineers on Wheels program will help maintain the pipeline of college-bound students interested in pursuing an education leading to careers in science, technology, engineering and math.

Focused on supporting education in Mexico, the FCA Mexico foundation has made financial contributions to universities and educational institutions to reinforce their teaching programs, in addition to donating school materials, furniture and equipment for classroom improvements. The Foundation sponsored scholarships for low income students to help them pursue their education. These efforts help strengthen programs for public schools and children in communities near FCA's manufacturing facilities. The Foundation supported the collection of books and school supplies for community libraries, and worked collaboratively to improve building conditions through painting, providing equipment, cleaning and landscaping the common areas.

## First Family of Initiatives: Tech, Robotics and Lego



*FIRST Robotics* was created in 1989 to reach out to and inspire high school students to explore and pursue careers in science, technology, engineering and mathematics.

By encouraging interest in these critical fields at a young age, *FIRST* (For Inspiration and Recognition of Science and Technology) is helping develop the technical skills necessary for the workforce of the future. The FIRST family of programs has grown to include FIRST Tech Challenge (FTC) grades 7-12, as well as FIRST Robotics Competition (FRC) (grades 9-12).

The FCA Foundation (formerly the Chrysler Foundation), a FIRST Founding Sponsor, has invested about €1.7 million since 1995 to support FIRST programs in the U.S. and Canada. In 2014, the Foundation awarded €170,817 in grants to 47 U.S. and Canadian-based robotics school teams.

Seventy-one FCA US employees volunteered more than 2,000 hours as team mentors and coaches. They also supported regional and district FIRST events as competition coordinators and event volunteers. Guided by professional mentors, teams have six weeks to design, build and program robots to perform prescribed tasks against a field of competitors. Through this process, students learn basic physics, electrical and mechanical engineering and machining skills. More than 1,000 students benefited from these programs.

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## Education across LATAM

In the LATAM region, FCA has a long tradition of engagement in managing and measuring education programs.

One of our largest long-term educational projects is in Betim (Brazil). This project has resulted in a dramatic increase in the graduation rate of students participating in the *Árvore da Vida Jardim Teresópolis* program who passed their final exams, climbing from 71% in 2004 to about 95% in 2014. Over the same period, the percentage of students attending school grew from 78% to about 98%.

The Group's involvement in the *Árvore da Vida* program has provided a benchmark for developing multi-stakeholder relationship strategies. Through listening to key community partners and stakeholders, socially responsible best practices have been established.

The Group also promotes educational activities for the children of employees. At the beginning of the school year, Fundação Fiat distributes school supplies to employees' elementary school students in Brazil. For the past 14 years, the *Maratona Cultural* initiative, supported by FCA Brazil companies, supports the educational progress of employees' children at the elementary and middle school levels.

Through focusing on the younger generation, FCA contributes to improving the quality of life in this region, and builds legacies in the areas of education and culture.

One initiative to benefit communities in and around the new [Pernambuco plant](#) is FCA's collaboration with the Instituto de Co-responsabilidade pela Educação (Institute for Co-responsibility in Education or ICE) and the Istituto Qualidade no Ensino (Institute for Quality in Teaching or IQE). This educational project in Pernambuco includes the active involvement of local authorities. It expands the curriculum at elementary schools (students aged 8-14 years), increases the number of hours students are in the classroom to full-time, and supports schools in providing additional training to teachers.

FCA has offered engineering students in Pernambuco the opportunity to compete for a seat in the Automotive Engineering school at the Politecnico Institute of Turin. State government-funded scholarships are being offered to help prepare future engineers for the automotive industry.

In Brazil, FCA companies participate in the programs organized by the National Industrial Apprenticeship Service (SENAI) and other local institutions. As part of the *Formare* program, Magneti Marelli engages in efforts to support four schools that provide vocational training to young people as well as an internship in the Amparo, Hortolândia, Mauá and Lavras plants. The schools are located inside the Magneti Marelli plants with employees acting as volunteer educators.

Since 2006, Teksid do Brasil has been a partner in the government project *Filhote*. This project offers children and adolescents from the Betim region a chance to attend workshops in carpentry, weaving, computer science, literature and circus performance. From 2006 to 2014, more than 500 children and adolescents have benefited from this project, with 105 participating in 2014.

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## Education across APAC

In the APAC region, one of the main community goals is helping youth in all educational endeavors. In India, Fiat India Automobiles Private Limited (FIAPL) has a venture in Pune between FCA Italy and Tata Motors in collaboration with Don Bosco Vyawasaik Prashikshan Kendra (DBVPK). One of the programs, called Diksha, is focused on providing education and technical training for the country's youth, particularly for the disadvantaged who may have limited opportunities. The goal of this initiative is to help the students become self-sufficient and able to earn a self-supporting income.

FIAPL supports Diksha through

- improving the knowledge, capability, and competencies of trainers and teachers
- offering company training internships for trainers and students
- supporting practical experience through donations of vehicles, components, workshop equipment, teaching materials and training aids
- on-the-job training at factories, in the dealership network and train-the-trainer programs.

In 2013 and 2014, 358 students participated in the program, with about 93% of qualified students employed in the automobile sector.

The Indian government encourages private organizations to support its efforts to enhance the quality of education at elementary schools. Since 2012, FIAPL has responded to the government's request, and provided E- Learning software to local primary and secondary schools. In 2014, FIAPL donated E-Learning Systems to six village schools benefiting more than 2,000 children.

To build collaboration between industry and India's academic institutions, the Department of Technical Education, Maharashtra State, asked FIAPL to participate in the Industry Institute Partnership Cell (IIPC). During the last three years, FIAPL has organized six IIPC programs covering 150 lecturers from 40 colleges in Maharashtra State. Lecturers from Polytechnique Colleges across the state visit the plant and study FCA's technology and management system for five days. FIAPL executives also deliver lectures on subjects such as production processes and manufacturing.

In addition, in association with the Confederation of Indian Industry (CII), Apex Industries in India and Tata Motors Ltd., FIAPL organized a finishing school program for students of the Shirur Industrial Training Institute (ITI).

The curriculum focuses on providing soft skills to final year students of ITI and prepares them for job interviews, professional etiquette and the hiring process.



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# Our Products and Processes



## Product Innovation and Responsibility

FCA's dedication to innovation is intrinsic to its commitment to sustainable mobility. The Company's balanced approach to responsible vehicle development includes a focus on efficient powertrains, improved aerodynamics, weight reduction, increased use of renewable materials, and alternative mobility solutions. Because the environmental impact of vehicles depends largely on driving behavior, the Group also actively promotes eco-friendly driving.

&gt;



## Plants

In addition to developing sustainable products, FCA is committed to minimizing the environmental impact of its manufacturing processes. Efforts at the plant level include lowering CO<sub>2</sub> emissions, reducing water consumption and cutting down on waste generation. Achieving continuous improvements in environmental performance at the plant level is an essential part of FCA's strategy and ability to generate sustainable, long-term value for stakeholders.

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## Logistics

As a global automaker, FCA annually manages the movement of millions of automotive parts, materials and vehicles around the world. To minimize emissions from these activities, the Group uses low-emission transport vehicles and is focused on optimizing logistics flows, including to and from suppliers and dealers. Additionally, we have committed to decreasing the use of expendable packaging material.

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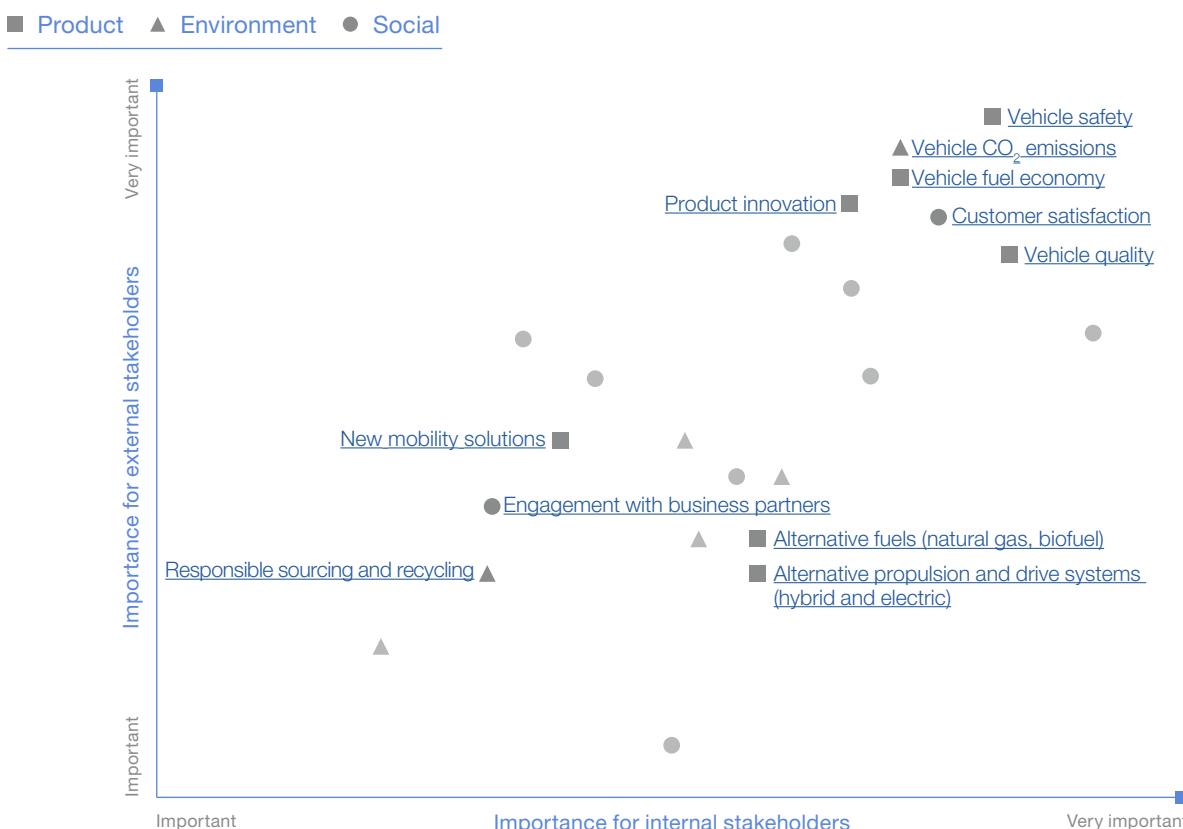


## Product Innovation and Responsibility

- Responsible Products
- Research and Innovation
- Sustainable Mobility
- Design for Vehicle Life
  
- ▲ Sustainability Plan

### Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Product will be reported.



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## Responsible Products

The Group's sustainable product strategy is based on reducing the environmental impact of vehicles over their entire life cycle and addressing emissions challenges on several fronts. 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. Affordability is also a key consideration: even the most effective technologies cannot have a significant impact on the environment if they are not accessible to a sufficiently large number of people.

Achieving truly sustainable mobility requires a non-conventional approach that, in addition to the vehicles themselves, also addresses the interaction between vehicle and driver and between vehicle and infrastructure. FCA has adopted a three-fold approach to providing mobility solutions that have the minimum impact on people and the environment, which focuses on:

- improving the efficiency of vehicle and engine technologies, both conventional and alternative
- directly involving drivers in reducing environmental impacts of vehicles during use
- developing and promoting new concepts that improve the mobility experience.

## Emissions and Efficiency

FCA vehicles and the engines that power them must comply with extensive regional, national and local laws and regulations with respect to vehicle emissions and fuel economy. The Group develops technologies that respond to the regulatory environments of each market, while at the same time addressing vastly different consumer preferences across the world.

Through continued efforts and the implementation of innovative solutions, FCA has achieved significant results in reducing CO<sub>2</sub> emissions and fuel consumption. These results have been achieved by optimizing primary vehicle characteristics to reduce their eco-footprint during the use phase, with a particular focus on:

- vehicle energy demand (aerodynamic efficiency, weight, tire performance, etc.)
- vehicle/powertrain combination
- customer driving style and usage.

To ensure maximum energy efficiency for every model produced, FCA addresses each of these areas from the very beginning of the product development process.

For more information on the emissions and fuel economy regulations in the various markets, see the FCA 2014 [Annual Report on Form 20-F](#).

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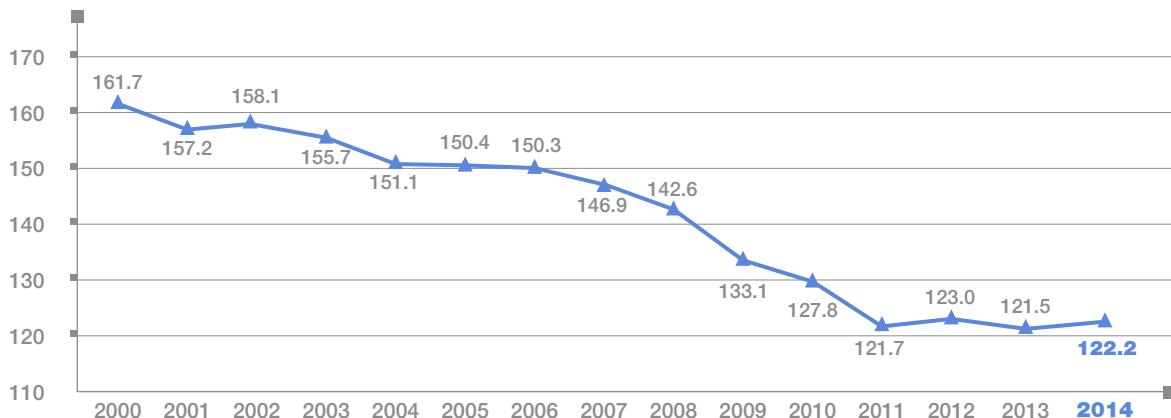
## European Union

GRI-G4 DMA, EN7, EN27



In the European Union, the average CO<sub>2</sub> emissions of the Group's Mass-Market Brand cars amounted to 122.2 g/km in 2014. This represents a 19% decrease compared with 2006 (the benchmark year used in EU regulations to set the 2012-2015 and 2020 targets) and a 24% reduction compared with 2000, which was the first year the EU Commission monitored average emissions.

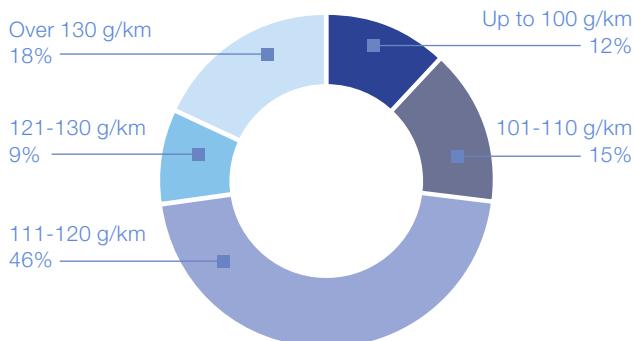
Average CO<sub>2</sub> emissions for newly-registered passenger cars  
FCA (Mass-Market Brands) in the European Union (g/km)<sup>(1)</sup>



Approximately 73% of the Group's newly registered cars of Mass-Market Brands emitted 120 g/km of CO<sub>2</sub> or less in the European Union, while 82% emitted 130 g/km of CO<sub>2</sub> or less.

In 2014, the European Union introduced new regulations<sup>(2)</sup> that establish CO<sub>2</sub> emissions targets for light commercial vehicles (LCV) and, accordingly, FCA continued to monitor LCV data and established appropriate systems based on regulations requirements.

New car registrations by CO<sub>2</sub> emission levels  
Mass-Market Brands in the European Union



## Other Emissions

As part of its environmental commitment, FCA's work to reduce fuel consumption and CO<sub>2</sub> emissions is paired with an even greater effort to develop devices that reduce polluting emissions, including particulates and oxides of nitrogen (NO<sub>x</sub>).

Regulations with respect to the maximum polluting emissions for vehicles are becoming increasingly stringent and are affecting future requirements for automakers.

<sup>(1)</sup> Source: 2000-2013 EU Commission data; 2014 FCA estimate.

<sup>(2)</sup> Regulation EU 510/2011.

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The Group has also been developing solutions to reduce emission levels even further, to comply with the upcoming Euro 6 standard. This standard introduces mandatory, more stringent limits, particularly on NOx, for all new type-approved models in Europe as of September 2014, and for all new registrations as of September 2015. For diesel engines, MultiJet II technology represents an important step toward compliance with Euro 6 emission standards, as it ensures better combustion while lowering the need for exhaust gas aftertreatment. In 2014, the first versions of the Group's Euro 6-compliant 2.0-liter diesel were launched on the new Jeep Renegade, approximately a year in advance of the introduction of the applicable EU emissions standards.

The Group is developing further innovations to offer Euro 6-compliant, cost-effective solutions for the entire engine range.

## United States

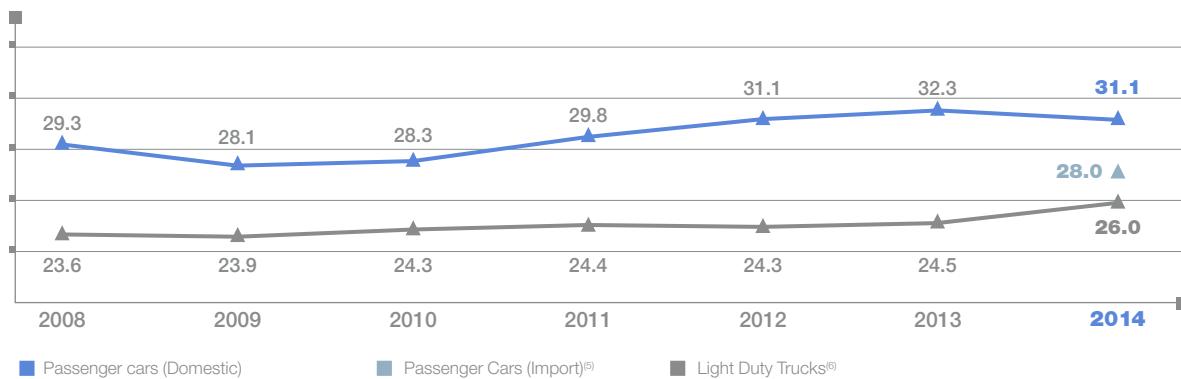
GRI-G4 DMA, EN7, EN27



In the U.S., vehicle efficiency is measured by fuel economy expressed in miles per gallon (mpg). Actual fleet performance is dependent on many factors, including the vehicles and technologies FCA offers, as well as the mix of vehicles consumers choose to buy.

FCA light duty truck fuel economy improved 6% from 2013 to 2014, increasing from 24.5 mpg to 26.0 mpg. Trucks, including SUVs, pickup trucks and minivans, accounted for approximately three-quarters of FCA sales in the U.S., so this improvement represented a positive contribution to the efficiency of the Group's fleet. With respect to the domestic passenger car category, consumer preference in 2014 was strong for FCA large cars and larger displacement engines. As a result, FCA domestic passenger car mpg declined, from 32.3 in 2013 to 31.1.

**Fuel economy<sup>(3)</sup> of vehicles sold in the U.S. according to Corporate Average Fuel Economy – CAFE<sup>(4)</sup>**  
Mass-Market Brands in the U.S. (mpg)



<sup>(3)</sup> Refers to fuel consumption in miles per gallon, which, by applying an appropriate conversion factor, corresponds to the kilometers traveled with a liter. Therefore, an increase in fuel economy corresponds to an increase in vehicle efficiency and a reduction of fuel consumption and CO<sub>2</sub> emissions.

<sup>(4)</sup> Data is reported to the U.S. National Highway Traffic Safety Administration (NHTSA) and provided by model year, meaning the year used to designate a discrete vehicle model, irrespective of the calendar year in which the vehicle was actually produced, provided that the production period does not exceed 24 months. CAFE standards from NHTSA are set independently for passenger cars and light duty trucks. Fuel economy is based on the most recent NHTSA required submission, which for 2014 reflects mid-model year data. Previous year data is adjusted to reflect final EPA/NHTSA reports.

<sup>(5)</sup> FCA's import passenger car fuel economy is reported for the first time in 2014, and includes both Mass-Market and Luxury Brands sold in the U.S.: including Fiat, Maserati and Ferrari brand vehicles.

<sup>(6)</sup> Vehicles for the transportation of passengers and/or goods with specific characteristics defined by the U.S. National Highway Traffic Safety Administration – NHTSA (e.g., SUVs, MPVs and pickups).

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## Other markets

GRI-G4 DMA, EN7, EN27



In countries in the APAC and LATAM regions, including those without specific regulations governing CO<sub>2</sub> emissions or fuel consumption, FCA offers vehicles with leading-edge technology designed to reduce both.

### Brazil

FCA maintained its long-standing leadership in biofuel vehicles in Brazil, the major market in the LATAM region, with more than 680,000 Flexfuel and TetraFuel vehicles sold in 2014, accounting for approximately 98% of vehicles sold by the Group. The Group participates in the government's INMETRO vehicle fuel consumption monitoring program (PBEV - "Brazilian Labeling Program Vehicle"). In PBEV 2014, 39 Fiat brand vehicles were involved. FCA in Brazil was the carmaker that participated with the highest number of vehicles in the labeling program.

### China

In China, where the Corporate Average Fuel Consumption (CAFC) regulation sets limits for CO<sub>2</sub> emissions starting in 2015, the Group is committed to launching low-emission products, with technologies that have been upgraded and adapted to address the specific characteristics of the market. Solutions that are currently available in other markets, such as MultiAir, and 8- and 9-speed transmissions, will also contribute to addressing these regulations. In 2014, FCA developed the 2.0-liter diesel engine to respond to Chinese regulations and local market needs.

## Efficient Powertrain

Maximizing powertrain efficiency is vital to FCA's commitment to reduce vehicle CO<sub>2</sub> emissions and improve fuel economy. This means not only developing more efficient engines and transmissions, but also optimizing the vehicle/powertrain combination. Selection of the most suitable powertrain (engine and transmission) is based on vehicle type and use. In addition, parameters such as gear ratios, engine calibration and transmission strategies (manual and automatic) must be optimized to the specific vehicle and powertrain architecture.

In recent years, FCA has developed several proprietary technologies, such as the MultiAir II and MultiJet II. Combined with other technologies such as direct injection, variable displacement oil pumps and electronic thermostats, this has led to the development of highly-efficient powertrain architectures for our models. During the development process, FCA works closely with suppliers that have specialized know-how to achieve the most advanced solutions possible.

Increased use of smart technologies, which provide dynamic management of the vehicle's powertrain systems, has made an important contribution to achieving the most efficient balance between performance and fuel economy. These include innovations<sup>⑦</sup> such as smart alternators, optimized engine cooling systems and cylinder deactivation, which activate automatically based on input such as driving style, trip type or engine load. Even with the most advanced systems in place, however, driving style remains a major contributing factor to a vehicle's overall environmental performance. With the assistance of FCA's patented [eco:Drive](#) application, the driver and the vehicle's smart systems can work together to optimize fuel efficiency and reduce emissions.

<sup>⑦</sup> Not all features and technologies indicated are available in all markets, or on all versions of a given vehicle. Check the company or brand website for information about features available in your area.

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Conventional gasoline and diesel engines will continue to play a predominant role in mobility in the coming years. The Group believes that there is still significant potential to reduce the fuel consumption and emission levels of these engines through innovative technological solutions.

## Gasoline engines

GRI-G4 EN7, EN27



The latest addition to the FIRE family of gasoline engines - **the 1.4-liter Turbo MultiAir II** - was launched on the new Jeep Renegade in late 2014 and is now also available on the Fiat 500X. The second generation MultiAir technology brings further improvements in fuel efficiency and CO<sub>2</sub> emissions (up to 2% based on the New European Driving Cycle - NEDC) building on the advantages of the first generation MultiAir engines which already delivered reductions of up to 10% compared with a conventional gasoline engine with the same displacement.

The new high-performance 1.8-liter Turbo GDI (Euro 6) was introduced on the Alfa Romeo Giulietta and the Alfa Romeo 4C in combination with the 6-speed TCT (twin clutch) sequential automatic transmission. The aluminum engine block, electronically-controlled thermostat, variable displacement oil pump and other features all contribute to the engine's CO<sub>2</sub> emissions performance.

In the EMEA region, the Start&Stop system was introduced on the 8-valve, 1.2-liter versions of the Fiat 500 and Lancia Ypsilon, further improving average CO<sub>2</sub> emissions.

In 2014, FCA completed development of the latest addition to the e.TorQ engine family for the European market. Produced in Brazil, the 1.6-liter gasoline-powered EVO engine (Euro 6-compliant) is now available on the 2015 Jeep Renegade and Fiat 500X, together with Start&Stop and smart alternator for maximum efficiency.

Development also continued on a new family of small gasoline engines that will be available in a range of power outputs all based on a shared cylinder geometry and combustion architecture. This new engine family incorporates new and emerging technologies that maximize the efficiency of internal combustion engines.

Further enhancements were also made to FCA's proprietary MultiAir system to maintain the highest level of thermal efficiency across applications. Specific improvements included the introduction of new camshaft profiles for advanced combustion performance and new engine control capabilities for fully-flexible valve actuation and cylinder deactivation.<sup>(8)</sup> In addition, the contribution of smart auxiliaries, lightweight materials and low friction components to enhance fuel and carbon emissions performance with the MultiAir system was also assessed.

FCA's Pentastar V-6 engine, originally launched on the Jeep Grand Cherokee in 2010, now powers more than four million vehicles. It is featured in the Jeep Cherokee, Ram 1500 pickup and 15 other products across 11 segments - from mid-size car to full-size commercial van. The Pentastar family of engines replaced seven engines and has provided a 7% improvement in fuel economy across the fleet. The Pentastar V-6 engine has a flexible architecture, so it can be used with a variety of advanced technologies, such as FCA's MultiAir, direct injection or turbocharging. This "plug-and-play" characteristic, with little or no modification, accommodates longitudinal and transverse orientations; front-wheel, rear-wheel, all-wheel and four-wheel-drive systems; 6-speed manual transmissions and 6-, 8- and 9-speed automatic transmissions.

<sup>(8)</sup> Not all features and technologies indicated are available in all markets, or on all versions of a given vehicle. Check the company or brand website for information about features available in your area.

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## Diesel engines

GRI-G4 EN7, EN27



In terms of new **diesel engines**, **1.6-liter MultiJet II** 120 hp and **2.0-liter MultiJet II** 140 hp, both Euro 6-compliant<sup>(9)</sup>, are now also available on the Jeep Renegade and Fiat 500X. With the 1.6-liter engine, the 500X delivers fuel consumption as low as 4.1 liters/100 km and CO<sub>2</sub> emissions of 109 g/km (combined cycle). Other eco-friendly technologies on the 500X include a smart alternator, which modulates energy output based on actual energy demand and battery charge level; optimization of the engine cooling circuit to reduce warm-up time; and a variable displacement oil pump that improves energy efficiency by regulating oil pressure based on actual operating conditions. The vehicle is also equipped with Start&Stop technology. Low-viscosity oil is used to minimize wear on the engine and transmission.

The exhaust gas treatment system on the 1.6-liter and 2.0-liter engines incorporates close-coupled DPF technology (CCDPF), which provides efficient integration between the oxidizing catalytic converter and the particulate filter. The oxidizing catalytic converter also incorporates advanced NOx Storage Catalyst (NSC) technology which reduces NOx emissions by as much as 60% through a special chemical process coupled with sophisticated software-controlled injection strategies. Adoption of this technology has made it possible to meet strict Euro 6 emissions standards.

FCA completed development of the Euro 6 versions of the 1.3-liter Small Diesel Engine, including optimization of mechanical efficiency, noise and thermal management. The engine will be launched during the first half of 2015 on several small segment and compact van Fiat brand models.

Development also neared completion on a new 2.2-liter turbodiesel that expands FCA's existing mid-sized 1.6- and 2.0-liter diesel family. The new engine, which was right-sized for application on specific models, offers an optimum balance between performance and fuel economy. The engine will be available starting in 2015.

FCA's flagship diesel engine is the 3.0-liter V-6, available on the Maserati Ghibli and Quattroporte models. The Euro 6-compliant version with SCR technology was developed in 2014 and will reduce NOx emissions.

In the U.S., this engine is available as the EcoDiesel on the Jeep Grand Cherokee and Ram 1500 pickup. The EcoDiesel has been listed among Ward's "10 Best Engines" for two consecutive years. On the Ram 1500, the engine delivers the highest fuel economy among all full-size truck competitors - 12% higher than the next-closest competitor. On the Jeep Grand Cherokee, it offers fuel economy of 30 miles per gallon highway with a driving range of more than 730 miles.

In recent years, diesel research has focused on the combustion process and aftertreatment technologies. On the combustion side, enhanced control of injection parameters together with optimization of combustion bowl shape represented a key step in mitigating the formation of pollutants and enhancing fuel economy. In terms of aftertreatment systems, research and development activities mainly focused on passive and active NOx reduction technologies and the study of real driving conditions to determine optimized configurations for the next generation diesel powertrains.

<sup>(9)</sup> Overall lineup of Euro 6-compliant vehicles will be completed within the first half of 2015.

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## Transmissions

GRI-G4 EN7, EN27



FCA's transmission portfolio comprises manual transmissions, automated manual transmissions, or AMTs, dual dry clutch transmissions, or DDCTs, and automatic transmissions. This broad offering is designed to meet market demands in the different regions where we operate and to achieve the right vehicle performance characteristics for our individual brands.

The Group has established a leadership position in automatic transmission technology, offering 8- and 9-speeds to gain efficiency, performance and refinement. These advanced transmissions contribute to a 6 - 10% improvement in fuel economy over their 4-, 5- and 6-speed predecessors. Particular focus is placed on optimizing the engine-transmission pairings. The primary objective is to develop the most efficient powertrain solutions for each vehicle segment in order to significantly reduce fuel consumption and CO<sub>2</sub> emissions.

The new Jeep Renegade became the world's first small SUV with a nine-speed automatic transmission. This transmission delivers a smooth driving experience and improved fuel efficiency. The nine-speed transmission is also available on the new Fiat 500X.

FCA's highly efficient TorqueFlite eight-speed automatic transmission is now powering more than one million vehicles, with availability on the Jeep Grand Cherokee, Chrysler 300, Lancia Thema, Ram 1500 pickup, and Dodge Durango, Charger, and Challenger. This transmission will be used extensively in our rear-wheel drive vehicles.

FCA has developed a proprietary all-wheel drive system that disconnects a vehicle's front or rear axle when all-wheel drive capability is not needed. This feature significantly reduces the number of rotating components in the driveline and enhances fuel economy. The new Jeep Renegade and Fiat 500X are equipped with rear-axle disconnect, which seamlessly and automatically switches between two- and four-wheel drive for full-time torque management under all driving conditions. Other FCA vehicles that offer front- or rear- axle disconnect technology include the Jeep Cherokee, Ram 1500, Chrysler 200, Chrysler 300 and Dodge Charger.

## Alternative Fuels

A fundamental aspect of FCA's vehicle emission reduction strategy centers on the use of alternative fuels. From natural gas to biofuels, the objective is to offer technologies that are aligned with the fuels available in the various markets, and capable of resulting in an immediate reduction in emission levels.

### Natural gas

GRI-G4 EN7, EN27



FCA believes that natural gas is currently the best existing solution for reducing urban pollution levels and CO<sub>2</sub> emissions.

It is the cleanest and most economical fuel available, and the only currently viable alternative to traditional fuels. Specifically, natural gas:

- produces the lowest levels of harmful emissions, from particulate matter (reduced to essentially zero) to the most reactive hydrocarbons that result in the creation of other pollutants
- generates 23% less CO<sub>2</sub> emissions compared with gasoline
- has the potential to become a renewable fuel source in the form of biomethane.

Natural gas is a key element in the European Union's strategy for sustainable mobility.

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In 2010, the European Commission presented its strategy for clean and energy efficient vehicles<sup>(10)</sup>, in an action plan for the development and widespread use of green vehicles, including natural gas vehicles.

The Commission followed this in 2013 with a comprehensive strategy<sup>(11)</sup> aimed at the long-term substitution of oil with alternative fuels in all modes of transport, to ensure stable deployment of the necessary recharging and refueling infrastructure on a coordinated basis at the European level. The strategy set out by the Commission also specifically addresses distribution of natural gas/biomethane in all forms, including compressed natural gas (CNG), liquefied natural gas (LNG), gas-to-liquid (GTL). Finally, in 2014 the EU issued a directive on the deployment of an alternative fuel infrastructure<sup>(12)</sup>, which requires that each EU member state ensure an adequate number of publicly accessible refueling points for the various forms of natural gas, including CNG, by 2020.

## Market leadership

GRI-G4 EN7, EN27



FCA has been Europe's leading producer of Original Equipment Manufacturer (OEM) natural gas vehicles for more than 15 years. The Group offers a wide range of eco-friendly bi-fuel (natural gas/gasoline) vehicles, satisfying the needs of a large variety of private and commercial consumers. The lineup features 12 models of passenger cars and commercial vehicles (Fiat Natural Power Panda, 500L, 500L Living, Punto, Qubo, Doblò, Panda Van, Punto Van, Fiorino, Doblò Cargo, Ducato, and Lancia Ypsilon Ecochic Methane). Safety and comfort remain uncompromised, as the natural gas tanks are designed to be fully integrated into the vehicle structure.

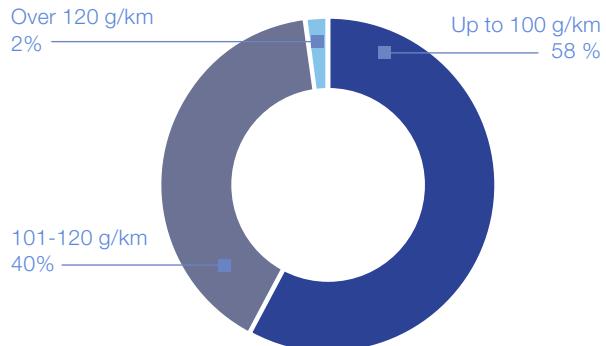
In 2014, FCA's European leadership was reconfirmed, with more than 56,000 natural gas vehicles registered, representing a share of more than 55%. Since 1997, the Group has sold more than 650,000 natural gas-powered cars and commercial vehicles.

To confirm the Group's continuous commitment on CNG solutions, FCA launched the new Doblò in December 2014, including the bi-fuel natural gas/gasoline version (120 hp 1.4-liter, 16-valve, FIRE T-Jet). At the end of 2014, Fiat Professional presented the world premiere of the new Ducato 140 Natural Power with a 3-liter natural gas engine, which will be commercially available in early 2015. Both engines are Euro 6-compliant.

In Italy, where there has been a 22% decrease in overall demand for passenger cars over the past three years, the demand for natural gas vehicles has actually increased by more than 89%. For the Fiat and Lancia brands, natural gas cars accounted for 14.9% of their combined 2014 sales in Italy by volume and 15.4% by value.

Building on our long experience in Europe in the development of natural gas-powered vehicles, FCA remains the only automaker in the U.S. to offer a factory-built natural gas pickup, the Ram 2500 Heavy Duty CNG. In early 2015, the Company announced the expansion of the lineup, quadrupling the Ram 2500 CNG configurations to appeal to a wider range of fleet operators and vocations.

**Newly registered natural gas cars by CO<sub>2</sub> emission levels**  
Fiat and Lancia in Europe



<sup>(10)</sup> COM(2010)186 final.

<sup>(11)</sup> COM(2013) 17 final "Clean Power for Transport: A European Alternative Fuels Strategy".

<sup>(12)</sup> Directive 2014/94/EU.

*This content was subject to assurance by SGS Nederland B.V. (27 March 2015)*

## Biomethane: a renewable fuel source

GRI-G4 EN7, EN27



Biomethane, which is produced by upgrading biogas, has exactly the same properties and uses as fossil natural gas. Biogas is derived from organic materials such as manure, crops residues and organic municipal waste.

Any natural gas vehicle can also run on biomethane and, on a well-to-wheel basis, a vehicle running on biomethane produces roughly the same level of CO<sub>2</sub> emissions as an electric-powered vehicle running on electricity generated from renewable fuel.

The potential for biomethane is particularly significant in Italy, the European country with the largest number of natural gas vehicles on the road. It could also play an important role in Europe in general, where the EU's transport and environmental policy targets, including Directive 2009/28/EC, require that renewable energy account for at least 10% of total transport sector energy consumption in each member state by 2020.

The first "Biomethane Day" was held in Italy in December 2014, organized by the Italian Biogas Consortium (CIB), Assogasmetano and NGV Italy in partnership with FCA and CNH Industrial. The event was used to showcase a real world case study of how biomethane can improve the competitiveness of agricultural producers, stimulate innovation and, at the same time, contribute to a cleaner planet.

FCA is working on research projects fostering the development of a biomethane supply chain.

CRF is the coordinator of the **Biomethair project** within the Piedmont Region's "Automotive Platform." This initiative was launched in 2013 and will be concluded mid-2015.

The objective is to develop a CNG-dedicated powertrain integrating a mini-hybrid system which runs not only with biomethane but also with biomethane and (bio)hydrogen blends. The project also aims to optimize the fuel production process starting from the raw biomass issued from municipal waste.

A prototype vehicle based on the new Fiat Panda will be developed with an extended range due to optimization of the CNG storage system.

This approach combines an advanced dedicated powertrain using low carbon fuel content, with an efficient biofuel production process, providing an excellent solution for urban mobility needs by locally converting waste into a clean, sustainable fuel.

## Biofuels

GRI-G4 EN7, EN27



FCA invests heavily in technologies that optimize the use of available natural resources. This commitment has propelled the Group to leadership in the Brazilian market with a full range of Flexfuel vehicles that run on varying blends of gasoline and bioethanol. Another example of FCA's technological excellence in this area is the TetraFuel engine (patented by Magneti Marelli), the first in the world capable of running on four different fuels: bioethanol, Brazilian gasoline (refined crude oil and 22% anhydrous ethanol), gasoline and natural gas.

In 2014, more than 680,000 Fiat Flexfuel and TetraFuel vehicles were sold, accounting for approximately 98% of total sales.

This result was largely achievable because of the extensive bioethanol distribution network in Brazil, supported by long-standing government policies and readily available raw materials.

In addition, all engines sold in Europe are compatible with blends of up to 10% bioethanol with gasoline (E10), and up to 7% biodiesel with diesel (B7).

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For the 2014 model year in the NAFTA region, FCA produced more than 650,000 vehicles capable of running on E85 flexible fuel, which contains 85% ethanol, or biodiesel blends of up to 20% (B20).

In 2014, FCA US completed a four-year cooperative project in collaboration with the U.S. Department of Energy (DOE) and in partnership with academia, suppliers and laboratories. This project resulted in the development of a MultiFuel engine and powertrain system that achieved a fuel economy improvement of more than 25% compared with the baseline vehicle, meeting the project goal established by the DOE. Key research activities related to improved efficiency included reduced engine displacement, direct injection, advanced boosting systems that incorporated series/sequential turbocharging and cooled Exhaust Gas Recirculation (EGR). The dual-fuel feature blended in E85 fuel at high loads to maintain optimal combustion phasing and avoided the need for any fuel enrichment throughout the entire operating range.

## Electric and Hybrid Technologies

FCA is committed to the development of electric/hybrid technologies, focusing on solutions that are economically viable, competitive in the marketplace, and beneficial to society. Our research activities include the development of electric technologies ranging from start-stop systems that reduce fuel consumption in conventionally powered vehicles to all-electric vehicles. The Company is developing technologies that can be used in a range of electrified vehicles (or EVs), including conventional hybrids, plug-in hybrids, fully electrified and range-extended electric vehicles. We also continue to research vehicle applications for improving the use and re-use of thermal energy, thereby reducing energy consumption, and extending the range for hybrid electric and all-electric vehicle models.

In late 2012, we began manufacturing our first electric vehicle, the Fiat 500e, for sale in California. This zero-emissions vehicle has a combined city/highway driving range of about 87 miles and a combined city/highway rating of 116 MPGe<sup>(13)</sup>, or miles-per-gallon-equivalent. The 500e drive system was included among the Wards' "10 Best Engines" list for 2014. In 2014, a new plug-in hybrid electric vehicle (PHEV) was announced in the 2014-2018 FCA Business Plan for 2016.

Also included in the Business Plan was the application on a future vehicle of a mild hybrid using belt starter generator (BSG) technology. BSG offers improvement in fuel economy combined with a reduction in CO<sub>2</sub> emissions at a relatively low cost. This technology utilizes an electric motor which acts like a modified alternator that generates current, but also doubles as a starter to restart the engine when the vehicle is stationary.

FCA supports public and private sector pilot projects aimed at overcoming existing barriers and testing the market potential for widespread application of electric vehicles, particularly for urban use. In Europe one example is a car-sharing service, established in conjunction with the City of Turin, where FCA has provided a fleet of eight all-electric Fiat 500e. The Fiat 500e also features in the fleet supplied to [Expo 2015 by FCA](#), Official Global Partner for sustainable mobility.

<sup>(13)</sup> MPGe is the EPA-devised measure for determining how many miles an electric vehicle can travel on a quantity of battery-generated electricity with the same energy content as a gallon of gasoline.

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FCA has established partnerships with several government entities, universities and other organizations to develop electric technologies. Among these is a five-year, €13.7 million partnership with McMaster University, a public research university in Hamilton (Canada), with funding support from the Canadian government. The project will advance FCA's electrification strategy through the development of next-generation, energy-efficient, high-performance electrified powertrains and powertrain components technology. The first of three phases was completed in 2014, and resulted in the filing of four new patent applications.

In the U.S., FCA is exploring how electric vehicles could mesh with the energy infrastructure. Through a partnership with NextEnergy, we are evaluating vehicle-to-grid (V2G) technology using four all-electric minivans. Detroit-based NextEnergy is a nonprofit energy technology and business accelerator. If the EVs prove to be viable storehouses of electricity, they could provide energy savings by sending surplus power to the grid. By linking a sufficient number of EVs, their combined surplus power could be sold back to utility companies to offset demand surges and pay EV owners for the surplus energy. During 2014, this partnership resulted in a demonstration project involving a Fiat 500e powering a house. The project revealed the potential use of an electric vehicle as a backup [energy source](#) in the event of a power outage.

## Hybrid Systems: cutting-edge solutions by Magneti Marelli



The Magneti Marelli technological know-how contributes to the Group's development toward new frontiers in terms of efficiency, performance, safety, emissions and consumption reduction, with electronics and alternative propulsion systems aimed at sustainable mobility.

Magneti Marelli offers cutting-edge solutions resulting from the Company's excellence in motorsports with the [Kinetic Energy Recovery System \(KERS\)](#). KERS was introduced for the first time in a production model with the HY-KERS hybrid system of "LaFerrari." This system combines a V-12 combustion engine producing 800 hp with an electric motor producing 163 hp for a total of 963 hp.

Magneti Marelli is also developing low voltage hybrid solutions: **the 48 volt "compact"** suitable with power of less than 16 kW. This solution is extremely flexible and easily adaptable to internal combustion engines. It can be mounted on the engine, similar to a start&stop system, without significant modifications.

Another technology offering high flexibility is the **48 volt Hybrid System PERF.E.T.** (PERForming and Efficient Transmission), which combines two Magneti Marelli innovations: the electro-actuated gearbox and KERS. Magneti Marelli has developed a solution for standard production cars that connects an electric motor generator to an automated manual gearbox. The electric motor produces torque during the gear change and at the same time helps to reduce fuel consumption.

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## Design for Efficiency

Optimizing a vehicle's energy demand can be achieved by improving aerodynamic efficiency, reducing weight (i.e., optimized structure and lighter materials) and minimizing tire drag.

To ensure maximum energy efficiency for every model produced, FCA addresses each of these areas from the very beginning of the product development process.

### Improved aerodynamics

GRI-G4 EN7, EN27



The Group continually strives to reduce the aerodynamic drag of its vehicles. From the earliest development stage, the aerodynamic performance of every vehicle profile is measured, optimized, tested and certified in the world-class, full-scale, aerodynamic wind tunnels of the Group.

Thanks to a combination of honed surfacing and aero-enhancing application, most versions of the 500X deliver a drag coefficient ( $C_d$ ) of 0.34 - a rating that surpasses its primary competitors around the world and contributes to its outstanding fuel efficiency.

The new Jeep Renegade was designed with integrated aerodynamic features to reduce drag and assist in improving fuel economy. Aerodynamically designed features include:

- Fully integrated, aerodynamic-tuned body and fascias
- Extensive rear spoiler
- Integrated underbelly pans
- Integrated sill aerodynamic spats
- Tail lamp design meant to kick air off the side of the body
- Lightweight aluminum wheels that were scrutinized for aerodynamic efficiency.

### New Wind Tunnel

Following significant investments in 2014, the FCA Wind Tunnel at the Orbassano (Italy) Aerothermal Technical Center is now one of the most advanced in the world. The recent renovation of the facility, which began operation in 1975, primarily consisted of installing a state-of-the-art rolling road simulation system. The main objective was to enhance aerodynamic simulation of road conditions to improve precision in simulating the underbody and wheel arch airflow.

The upgraded facility further enhances FCA's capabilities in reducing vehicle aerodynamic resistance, which is one of the pillars of the  $\text{CO}_2$  emission reductions targets set by the EU for 2020. The Aerothermal Technical Center is responsible for development of the aerodynamic, aeroacoustic and thermal performance of all FCA Mass-Market Brand models engineered in EMEA. It also supports the LATAM region and the Maserati brand with development in this technical area.

The primary use of the wind tunnel is to simulate aerodynamic performance by subjecting a stationary vehicle to airflow at a rate that is equal to the target speed of the vehicle being tested. Complete simulation of the effect of the ground and rotating wheels enables optimization of the geometry of wheel arches and rims, as well as aerodynamic development of the underbody. These areas of the vehicle, which are not visible and so have no impact on aesthetics, can be modified to achieve optimum  $C_d$  values, ideally enabling reductions of more than 10%. The Technical Center also invested significantly in upgrading its Computational Fluid Dynamics (CFD) capabilities (+100% in available processors compared with 2013), resulting in reductions of up to 50% in time required for each simulation.

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## Weight reduction

GRI-G4 EN7, EN27



FCA adopts the best architectural solutions for all new vehicles in order to grant optimal structural efficiency. CO<sub>2</sub> compliance will require weight reduction in every architecture and enhance the need for even tighter management of architecture flexibility.

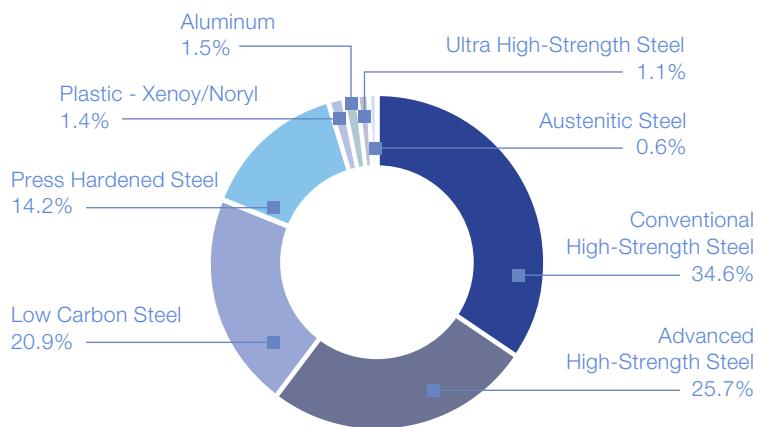
For the new Jeep Renegade, through a product/process integrated approach, it was possible to enable the efficiency and effective application of a higher percentage of new generation High Strength Steel with respect to previous models. More than 70% of the vehicle body is composed of high strength steel. Other lightweight materials and technologies are used for the hood (Aluminum), IP beam (Magnesium alloy) and other components (PPHD plastics, multi-thickness steel, hybrid insulators).<sup>(14)</sup>

For the new Fiat Professional Ducato, FCA developed solutions for the vehicle suspension and other systems that, depending on the version, delivered reductions of up to 23 kg in total vehicle weight compared with the previous model.

In 2014, Magneti Marelli started with the production of the ADI<sup>(16)</sup> front suspension control arm and knuckle, that reduced the weight of these components by 20%. The next step that will be investigated will be the application of this material for other suspension products with the objective of reducing weight.

Magneti Marelli is also working actively in the innovation area to develop new lightweight materials such as carbon fiber-reinforced polymer (CFRP) or glass fiber-reinforced polymer (GFRP) composites for suspension components. This type of material can provide significant advancement in reducing vehicle weight.

**Composition of the new Jeep Renegade Body<sup>(15)</sup>**



## Minimizing Tire Drag

GRI-G4 EN7, EN27



FCA uses a variety of solutions to reduce friction and rolling resistance, which contribute directly to improvements in fuel efficiency and CO<sub>2</sub> emissions. The new Fiat Professional Doblò and Ducato, for example, are equipped with low rolling resistance tires as standard equipment.

<sup>(14)</sup> Not all features and technologies indicated are available in all markets, or on all versions of a given vehicle. Check the company or brand website for information about features available in your area.

<sup>(15)</sup> Composition of Jeep Renegade built in Melfi (Italy).

<sup>(16)</sup> Austempered Ductile Iron.

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## Other technologies for ecological performance



FCA has been introducing Start&Stop technology in order to further reduce fuel consumption. Start&Stop technology turns off the engine and fuel flow automatically when the vehicle comes to a halt and re-starts the engine upon acceleration. This technology is now widely employed in Fiat, Alfa Romeo and Lancia vehicles and has been recently adopted in the Jeep Cherokee, Ram 1500 and Jeep brand vehicles sold in Europe (Renegade, and Wrangler). This fuel-saving technology is expected to be integrated in several more models on a global basis. Another innovative solution that improves fuel economy is the FCA Fuel Saver Technology found in all light duty V-8 5.7- and 6.4-liter HEMI eight-cylinder engines. By means of cylinder deactivation, the system seamlessly alternates between high fuel economy four-cylinder mode when less power is needed and V-8 mode when more power is required. Vehicles with multiple displacement systems automatically shift to accommodate different driving conditions and needs. FCA vehicles with this technology include the automatic transmission versions of the Jeep Grand Cherokee; Chrysler 300; Dodge Durango, Charger, and Challenger; and Ram 1500.

For Magneti Marelli, eco-sustainable products contributed €1.7 billion in revenues for 2014, representing an increase of 21% over the prior year (€1.41 billion). These products included hybrid engines, Xenon and LED headlights, LED tail lights, GDI injection systems, electronic control modules, automated manual transmissions and components of dual clutch transmissions.

## Recognition and Awards

FCA has received numerous awards from around the world, representing further recognition of our continued commitment to ecological mobility. In 2014, these included:

- “Auto Europa” award for the second consecutive year given to FCA for leadership in natural gas technology
- “City Van of the Year” for the Fiat Fiorino (third consecutive year)
- “Van of the Year 2014” in Denmark, awarded to the Fiat Ducato
- “Green Truck of the Year” in the U.S. awarded to the Ram 1500 EcoDiesel by Green Car Journal
- 3.0-liter EcoDiesel V-6 among Ward’s “10 Best Engines” for second consecutive year
- Fiat 500e named “Top Electric Vehicle” by U.S. Northwest Automotive Press Association
- Three FCA vehicles - Dodge Charger, Challenger and Dart - ranked highest in their segments in J.D. Power’s 2014 U.S. Automotive Performance, Execution and Layout (APEAL) Study
- Jeep Cherokee named “2014 Canadian Utility Vehicle of the Year” by the Automobile Journalists Association of Canada (AJAC)
- FCA in Brazil received “Selo Compet” award for energy efficiency for new Fiat Uno, Palio and new Fiorino.

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## Luxury Brands

### Ferrari California T



Ferrari's engineers have managed to design a remarkable power unit that combines classic Ferrari engine qualities, such as razor-sharp responsiveness, blistering performance, superbly powerful acceleration at all speeds and an exhilarating soundtrack, with the advantages of turbo technology, such as drastically reduced emissions and fuel consumption, a high specific power output and compact dimensions. This represents a genuinely unprecedented achievement that sets a new benchmark for the industry.

The California T sprints from 0 to 100 km/h in 3.6 seconds flat and from 0 to 200 km/h in 11.2 seconds. It is also more fuel efficient than the previous California to the tune of approximately 15%<sup>(17)</sup> despite punching out an extra 70 CV and 49% more torque in 7th gear. Emissions have also been cut to 250 g/km on the combined cycle, the equivalent of a 20% reduction in the CO<sub>2</sub>/horsepower ratio (0.44 gr/cv). As a consequence, the car's range increases by 15%.

This performance was achieved as a result of solutions adopted on the F1 single-seaters, including a low-inertia, flat-plane crankshaft combined with innovative twin-scroll turbines to minimize throttle response times. Certain of the manufacturing phases, mostly regarding castings, also make use of the same plant and production processes employed by the Scuderia.

Due to meticulous design and sophisticated production techniques adopted for essential components, such as the flat-plane crankshaft and the three-piece cast exhaust manifold and turbo housing, the California T's engine produces an enthrallingly powerful sound that becomes even more impressive as revs increase.

#### Ferrari's approach to sustainable development

Ferrari's sustainability efforts cover the full spectrum of its activities, including a commitment to reduce polluting emissions of both its vehicles as well as its production processes. Ferrari brand vehicles are produced using clean energy generated at the Ferrari plant. All new plant buildings are built to the highest eco-friendly standards. With respect to the cars themselves, Ferrari invests approximately 15-18% of turnover in product development every year. This level of investment has enabled the brand to achieve an **impressive 40% reduction in CO<sub>2</sub> emissions over the past several years**, while at the same time achieving an average increase of 100 horsepower.

Ferrari also pledged €250 million in research and development focused directly on emissions-reducing technologies over a five-year period. As an industrial leader, Ferrari has initiated various social projects over the years to give back to society and to the public which have helped the brand grow over the past six decades.

Building on the five-year target (2007-2012) for a 40% reduction in average CO<sub>2</sub> emissions on its product range, Ferrari continues to improve efficiency through an engineering and design approach that looks at all aspects of the vehicle. Through the introduction of innovations in areas such as turbochargers, engine downsizing, new transmission technologies, electric steering and 48V (hybrid), Ferrari is targeting a further 18% reduction in CO<sub>2</sub> emissions over the next five years.

For an exclusive automaker like Ferrari that doesn't produce high volumes, year-over-year variations are heavily influenced by the limited number of models in the range and, in particular, the mix between V-8 and V-12 models.

<sup>(17)</sup> The reduction in consumption is calculated on a driving cycle that realistically reproduces a clients' use of the car.

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## Formula One Concept

Ferrari has always brought the limitless Scuderia Formula One (F1) experience into legendary GT model design, delivering a driving experience and handling response that are increasingly thrilling and impressive.

The FXX K<sup>(18)</sup> is the laboratory car based on Maranello's first hybrid model. It will grace the world's tracks starting next year as a research and development platform for the Company with an exclusive group of client test drivers. The vehicle was developed incorporating technological innovations that guarantee an unprecedented driving experience. A focus on delivering maximum efficiency at every stage of every track lap has resulted in extensive but integrated work on the entire car body in terms of both active and passive aerodynamics.

Vehicle dynamics are further improved by the adoption of Pirelli slicks complete with sensors that monitor longitudinal, lateral and radial acceleration, as well as temperature and pressure. This ensures an accurate analysis of the interaction between the tire and the track surface, providing even more vital data to enable the traction control system to ensure maximum performance.

The intervention level of the E-Diff electronic differential, F1-Trac traction control, Racing SSC (Side Slip Angle Control) - specially calibrated to suit the car's slick tires - and the high-performance ABS can be controlled using the five-position Manettino on the steering wheel.

## Awards

### Ferrari California T

- Car & Driver China - The Most Beautiful Automobile Award 2014
- Schweizer Illustrierte - Most Stylish Car 2014

### LaFerrari

- Design of the Year - AutoDesign Awards 2014
- Auto Zeitung - Best Super Sportscar 2014

## Maserati: high performance meets the highest environmental standards



Maserati is continuing its efforts to reduce CO<sub>2</sub> emissions while at the same time preserving the driving experience and performance that are the key characteristics of the brand.

Given the excellent performance of the Start&Stop system first introduced on the diesel version - which achieved best-in-class performance for restart-time - in 2014 Maserati worked to extend the Start&Stop feature to all Twin Turbo V-6 and V-8 gasoline engines. The new models with this feature will start production mid-2015. The system is particularly effective when combined with the 8-speed automatic transmission. The system is so efficient, in fact, that these vehicles will not be equipped with a button to turn off the feature - the only such vehicles in their segment. The new Start&Stop system will reduce the CO<sub>2</sub> emissions of current gasoline versions by up to 8% in 2015.

Maserati is also continuing to work on the development of a new hybrid powertrain that may be offered in future Maserati vehicles to significantly reduce CO<sub>2</sub> emissions and meet stringent new emissions targets.

<sup>(18)</sup> K refers to "KERS" kinetic energy recovery system.

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## Research and Innovation

The Group's emphasis on innovation plays a key role in product research and development, including our product strategy. During 2014, our stakeholders identified product innovation as one of the key material topics for FCA. The global innovation and product development activities are centrally coordinated by the Chief Technology Officer (CTO), Powertrain Coordinator, Product Portfolio Management responsible and Design responsible who are members of the Group Executive Council, the Group decision-making body. In particular, the CTO leads FCA **Research & Development** (R&D) and is responsible for stimulating opportunities for synergies and technology transfer across the entire enterprise.

The 85 R&D centers across the Group's operating regions (EMEA, NAFTA, LATAM and APAC) employ a combined headcount of about 20,000 individuals. The two primary R&D facilities in EMEA and NAFTA are the **Centro Ricerche Fiat** (Orbassano, Italy) and the **Automotive Research and Development Centre** (Windsor, Canada).

All innovation activities worldwide are coordinated through a common framework, the FCA Global Innovation Process (GIP). Developed in collaboration with input from the Group's four operating regions, the GIP covers all phases of the innovation process, from idea generation to pre-competitive development. During 2014, the process was further enhanced through improved integration of the four regions in several aspects of project definition and management, including:

- the Research Agenda, defining medium- to long-term priorities and enabling technologies and relevant action plans at the global and regional level
- the Road Maps, showing the development and vehicle application of innovative systems and components which were upgraded from the regional to the global context.

## Additive Manufacturing



FCA makes extensive use of industrial 3D printing technologies, also referred to as Additive Manufacturing (AM), for rapid prototyping during the product development and pre-production phases. These technologies are not only essential in reducing time-to-market, they also enable the environmental impacts of those activities to be significantly reduced.

Using AM technology, prototype parts can be printed directly from 3D computer models, eliminating the need to construct special stamping presses, molds, or other equipment. The process also reduces the use of materials, waste and energy consumption compared with traditional prototyping methods.

The Group's prototyping center in Turin, Italy, uses the three principal AM processes: Stereolithography (SLA), Selective Laser Sintering (SLS) and Fused Deposition Modeling (FDM). These processes are used to create approximately 6,000 prototype parts each year for testing vehicle layout, packaging, on-vehicle performance, style and mountability. For the Jeep Renegade, launched in late 2014, AM technology was used for rapid prototyping of the intake manifold which was fundamental to the development and testing of the vehicle and propulsion system.

AM technology is also used within Magneti Marelli. FDM technology supports the creation of complex parts, including complete mechanisms such as a throttle body with shaft, valve and gears that are all "printed" together. With the flexibility and multiple benefits of AM technology, the demand and use is showing a positive trend. The SLS process allows prototype parts to be created and used for functional tests on running engines. This enables the engine performance to be evaluated in terms of torque-power curves, noise and vibration levels, preliminary calibrations and tuning for the ECU mapping. The process also supports creating cores to build silicone molds and producing cast prototypes.

In 2014, there was a 12.5 % increase in the number of components produced by Magneti Marelli using this technology.

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## Eco Innovation

The E-Light ECO innovation was developed by Magneti Marelli to support regulations aimed at reducing CO<sub>2</sub> emissions. The European Union's Eco-Innovations project<sup>(19)</sup> promotes solutions and technologies related to reducing greenhouse gas emissions, including carbon dioxide emitted by vehicles. Among those included in the list of Eco-Innovations is the LED low beam lighting module called "**E-Light**" that was developed by Magneti Marelli Automotive Lighting and has been officially acknowledged as innovative and effective in reducing carbon dioxide emissions.<sup>(20)</sup> The E-Light module uses about one-sixth of the energy of a traditional halogen light bulb and, consequently, generates fuel consumption and CO<sub>2</sub> emission reductions. It also supports a potential savings related to the sanctions set by the EU regulations by providing CO<sub>2</sub> credits to the automaker. The innovation of the E-Light LED low beam module lies in the use of a lower number of light diode sources and the simultaneous use of lenses that refract the emitted light.

## Investments and Patents

Innovation was identified as one of the main drivers for sustainability by our stakeholders during the global FCA Stakeholder Engagement Events. In 2014, the Group spent approximately €3.7 billion (+ 9% vs 2013) on research and development activities, in line with 2014-2018 Financial Targets announced during Investor Day on May 6, 2014.

The Group completed a significant number of major innovation projects during the year. The main areas of research were focused on the following:

- reduction of environmental footprint
- safety and connected vehicles
- increasing product competitiveness.

FCA carefully assesses the potential impact of its research on the environment and on the health of the users of our products. Innovations are thoroughly tested before being introduced on the market to verify their safety for the environment and society as a whole.

The Group's ability to anticipate consumer and market needs plays a key role in our competitiveness in the market. FCA considers intellectual property rights as a strategic asset for product competitiveness and business strategy. The Intellectual Property Rights Portfolio is a key element for collaboration with external partners and reflects the Group's commitment to technological innovation.

Intellectual property rights are the result of a broader research and development activity which considers medium- and long-term mobility scenarios and technological future trends.

The management of intellectual property rights is integrated into research and development with the aim to protect innovative product and process solutions through a collaborative approach and promote their exploitation.

In 2014, FCA owned a portfolio with more than 11,700 patents and patent applications, and 3,719 protected product designs.

### Public funding for research and development

FCA worldwide (€ million)

	2014	2013
Grants	36	31
Loans	6	410
of which subsidized loans	6	10
of which EIB <sup>(21)</sup> loans	-	400

### Patents

FCA worldwide

Total patents registered at 31 December 2014	8,311
of which: registered in 2014	596
Patents pending at 31 December 2014	3,410
of which: new patent applications filed in 2014	414

### Designs

FCA worldwide

Design rights registered at 31 December 2014	3,719
of which: registered in 2014	294

<sup>(19)</sup> Law (EC) No. 443/2009 of the European Parliament.  
<sup>(20)</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1396341800385&uri=CELEX:32014D0128>

<sup>(21)</sup> European Investment Bank.

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## Innovation and Collaboration

FCA fosters innovation by encouraging creativity among our workforce, as well as through collaboration with external organizations such as universities, research centers and other institutions.

### Employee Engagement

Employee creativity is a key factor in Group innovation. FCA promotes internal projects aimed at collecting suggestions and ideas for product and process improvement.

In 2014, the [World Class Manufacturing](#) program that promotes employee suggestions to improve processes produced 2 million suggestions. The best suggestions were implemented and the project owners were recognized for their contributions.

In 2012, the EMEA region launched the iPropose initiative to encourage employee ideas on reducing costs and increasing competitiveness. The initiative was extended to an additional 3,500 employees in 2014, with suggestions for optimizing the value of products and services (e.g., packaging, transportation) leading to estimated cost savings of approximately €40 million.

In the LATAM region, the BIS program was launched in 2001 with the aim of increasing the operational efficiency of products and processes. In 2014, BIS collected more than 7,150 proposals with the adoption of the best ideas. Since 2001, the BIS program has collected more than 43,000 proposals with a focus on optimizing value and promoting sustainable business.

During 2014, the NAFTA region's Innovation Space served as the forum for nearly 50 training and workshop activities, involving roughly 750 employees. The tools and techniques used in the Innovation Space are designed to promote creative alternative thought processes, along with developing advanced strategy, processes, product features and problem solutions. The NAFTA Innovation Team also began initiatives to replicate the tools and techniques in the EMEA, APAC and LATAM regions, and further promoted the exchange of innovation ideals among the four regions. Outreach initiatives were also conducted, including an interactive workshop conducted on-site with the students of Smith College, focused on the topic of sustainability, which generated ideas to be further explored by both Smith College and FCA.

## Universities and research centers

GRI-G4 DMA, EN27



The Group engages in long-standing collaborations with universities and research centers through research groups and joint projects. These close ties with the academic world are instrumental to encouraging creative thinking and rewarding talent in young people. Collaboration is promoted in many different ways by the individual companies and across the Group.

In Italy, FCA supports the Italian Automotive Technical Association (ATA) which is committed to promoting technical culture and training among young engineers.

The goals of the organization are to:

- improve technical know-how in the automotive sector
- promote innovative development through collaboration between research and academic institutions and industry
- increase the transfer of technological know-how among large, medium and small companies.

The collaboration in the EMEA region with Politecnico di Torino (Italy) and the University of Windsor (Canada) continues to demonstrate our commitment.

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In 2014, under the partnership agreement between FCA and Politecnico di Torino, five voluntary educational programs were delivered to support emerging needs and priorities of the automotive sector. [These courses](#) provided access to the latest information from professionals working directly in the field.

In the NAFTA region, FCA has entered into a five-year, €13.7 million partnership with McMaster University, a public research university in Hamilton (Canada), with funding support from the Canadian government, to develop next-generation, energy-efficient, high-performance [electrified powertrains](#) and powertrain components.

### USCAR

FCA US is a member of the United States Council for Automotive Research (USCAR), the collaborative technology organization aimed at strengthening the technology base of the U.S. auto industry through cooperative research and development. Participation in USCAR provides the Company with access to nearly 441 projects with national laboratories, research centers, industry and universities in conjunction with USDRIVE, a consortium of the U.S. Department of Energy and Transportation, energy and utility companies. USCAR is also involved with five projects with battery industry partners in collaboration with the United States Advanced Battery Consortium (USABC).

### CAMP

FCA US is a member of the Crash Avoidance Metrics Partnership (CAMP) under the U.S. Federal Highway Administration (FHWA) Vehicle to Infrastructure (V2I) Collaboration Agreement. CAMP provides an auto manufacturer-oriented organization under which stakeholders can collaborate on pre-competitive research projects of mutual interest. The CAMP V2I Consortium is focused on developing safety, mobility, and environmental applications for vehicles that are enabled through information provided by roadside infrastructure components of the Connected Vehicle Environment.

### Social innovation at Magneti Marelli

The [LapTime Club](#), launched by Magneti Marelli Motorsport in July 2014, is an online laboratory aimed at building a social innovation community for not only motorsport engineers and experts, but also for technology and electronics enthusiasts. Users are able to share their ideas and discuss technical challenges in an open, collaborative environment.

The LapTime Club encourages participants to develop technological solutions and proposals for the racing world, as well as alternative and innovative uses of existing technologies.

### Institutions

GRI-G4 DMA, EN27



CRF, the Group's European research center, coordinates collaborative research activities with academic and research institutions at the national and European level.

During 2014, CRF was involved in 264 collaborative research projects with more than 1,700 partners in Europe, of which 20% were universities, industrial research centers or public research institutes.

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For many years, CRF has also played an active role in various European Technology Platforms and other stakeholder organizations that support the European Commission in defining research priorities and guidelines in the mobility/transport sector. The principal organizations CRF is involved in are:

#### European research organizations in which CRF is actively involved

European Technology Platforms	ERTRAC: Road transport EPoSS: Smart system integration EuMaT: Advanced engineering materials and technologies MANUFUTURE: MANUFACTURING AND PRODUCTION PROCESSES
Public-private partnerships	Green Cars Initiative Factories of the Future ECSEL (Components and electronic systems)
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 on ICT

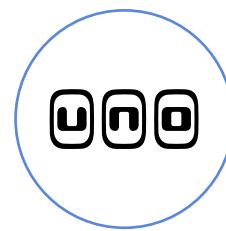
#### Vehicle lightweighting technologies research



Our European-based research center, CRF, is a partner in a collaborative research project, called ALIVE, funded by the European Community. **ALIVE** aims to develop key vehicle lightweighting technologies, based on advanced metal and hybrid materials, such as the latest generation aluminum, alloys and composites. The project focuses on affordable weight reduction that enables minimum production of 200,000 vehicles per year.

CRF designed the engine-cradle, made of a carbon fiber/aluminum composite using high-pressure die casting. They also contributed to the design and prototype development of a thermoplastic composite roof module. When the project is completed in 2016, three full-scale body-in-white prototypes will be delivered, incorporating highly-advanced materials and their respective manufacturing processes.

#### Innovations on the Road<sup>(22)</sup>



<sup>(22)</sup> Not all features and technology shown are available in all markets, or on all versions of the vehicle. Check the brand website for information about features available in your area.

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*Not all features and technology shown are available in all markets, or on all versions of the vehicle.  
Check the brand website for information about features available in your area.*

## Safety

### ① Brake Control

One of the most innovative features available on the new Fiat 500X is the “Brake Control” assisted braking system, which uses radar sensors and video to detect if the car is approaching another vehicle or obstacle too quickly and alerts or assists the driver in order to avoid impact or mitigate the consequences. Brake Control operates between 7 km/h and 200 km/h, generating acoustic and visual warnings, as well as a brief deceleration to alert the driver. If the driver does not react, the system brakes the vehicle to avoid or mitigate impact.

### ② Pedestrian Protection

Pedestrian Protection incorporates refinements to the hood and related hinge structure, and is designed to reduce the chance of pedestrians striking the engine block if struck by the vehicle.

### ③ Rigid body shell structure

The structural rigidity of the Fiat 500X is achieved as a result of extensive use of high-strength steel (around 70% of the total body weight) and structural adhesives which serve to reduce the overall vehicle weight, to improve longevity and to maximize resistance in the event of a collision. With the same objectives in mind, the 500X is fitted with a front crossmember and hybrid rear crash-box (plastic/steel). The body's interfaces with the mechanics and power units are designed to ensure increased rigidity in order to reduce noise inside the passenger compartment.

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## Technologies

### ④ 4WD and rear axle disconnect system

The new Fiat 500X is available in both 2WD and 4WD drive configurations. A particular feature of the new Fiat crossover's four-wheel drive is the adoption of a **rear axle disconnect system** that **reduces energy wasted through drag** when 4WD operation is not required, thus ensuring more efficient fuel consumption. The 500X's rear-axle disconnects seamlessly, switching between 2WD and 4WD for accurate torque management with no need of input from the driver.

### ⑤ Mode Selector

The new 500X features the Mode Selector drive selection system, which acts on the engine, brakes, steering and gearbox (in the case of automatic transmission), permitting three different vehicle behaviors based on the driving style most appropriate to the situation or road surface conditions: **Auto** (for the best in terms of comfort, **consumption and CO<sub>2</sub> emissions**), Sport (for a drive that favors performance) and All Weather (for maximum safety even in poor grip conditions). In Cross versions, the All Weather is substituted by Traction position; it maximizes the ability to move on dirty and rough roads.

### ⑥ Eco:Drive™ and my:Car™

Finally, the Fiat 500X offers **eco:Drive™**, which can generate **savings of up to 16% on fuel costs and reduces CO<sub>2</sub> emissions**, as well as the **my:Car™** service which features an interactive owner's manual.

## Manufacturing

**The Fiat 500X and Jeep Renegade** are produced at the **SATA** (Società Automobilistica Tecnologie Avanzate) plant in **Melfi** (Italy). The vehicles are built on a flexible platform that enables production of a wide range of configurations (engine, transmission and other features) to meet the specific requirements of each market.

The Melfi plant was reconstructed and equipped with the latest production technologies, and organized according to **World Class Manufacturing** principles.

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## Safety

### ① Forward Collision Warning-Plus

This system operates for speeds above 7 km/h and provides audible and visible warnings as well as a brake pulse. If the driver does not respond, the system will apply the brakes to slow the vehicle and avoid or mitigate potential impact. It utilizes radar and video sensors to detect whether the vehicle is approaching another vehicle or large obstacle in its path too rapidly, and **warn/assist the driver in avoiding/mitigating the incident**.

### ② Pedestrian Protection

Pedestrian Protection incorporates refinements to the hood and related hinge structure and is designed to reduce the chance of pedestrians striking the engine block if struck by the vehicle.

### ③ Rigid body structure

The Renegade features a unibody structure based on the all-new small-wide 4WD architecture, with the upper body structure and frame engineered as a single unit for a stiff and more mass-efficient structure. Its rigid foundation can be credited to the extensive use of high-strength steel and liberal use of structural adhesives. The new small SUV **utilizes approximately 70% high-strength steel on its body for maximizing vehicle dynamics and crash performance while optimizing weight efficiency**.

## Technologies

### ④ Jeep Active Drive

This new generation of drive system adds new functionality that **provides enhanced fuel economy** over past 4WD systems. By utilizing automatic disconnect to the auxiliary drive (driveline, or rear-axle, disconnect), the system can **completely remove power to the non-driven axle when FWD performance is adequate** (i.e., on dry surfaces).

### ⑤ Start&Stop

The new Jeep Renegade is equipped with Start&Stop technology. This technology turns off the engine and fuel flow automatically when the vehicle comes to a halt and re-starts the engine upon acceleration.

### ⑥ HEADLAMP XENON 25 W-Magneti Marelli

+ 91 % surface illuminated and 50% consumption reduction compared with 55 Watt halogen technology.

## Manufacturing

The Fiat 500X and Jeep Renegade are produced at the **SATA** (Società Automobilistica Tecnologie Avanzate) plant in Melfi (Italy). The vehicles are built on a flexible platform that enables production of a wide range of configurations (engine, transmission and other features) to meet the specific requirements of each market. The Melfi plant was reconstructed and equipped with the latest production technologies, and organized according to **World Class Manufacturing** principles.

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Check the brand website for information about features available in your area.*

## Safety

### ① The Dualogic® Plus system

The Dualogic® Plus system was rescheduled for the New Uno, offering smoother and quicker gear changes. It also keeps the Creeping and AutoUp Shift Abort functions. This feature enables safe "fast tip in" maneuvers, and is available on the new Fiat Uno in Brazil.

## Technologies

### ② Start&Stop

This technology can lead to a significant reduction in fuel consumption. Once again a pioneer, Fiat is the first brand to equip a Brazilian car with Start&Stop. It also offers the first Flexfuel engine with this technology, capable of operating with both gasoline and ethanol. Start&Stop technology turns off the engine and fuel flow automatically when the vehicle comes to a halt and re-starts the engine upon acceleration.

### ③ Green Material

A portion of the panel finish uses **jute fibers**, a natural fiber that reduces weight with this **renewable source material**.

### ④ Green Tires

The tires provide improved rolling resistance, resulting in better fuel economy performance, braking performance and noise reduction.

## Manufacturing

The new Fiat Uno is produced in the Betim Plant (Brazil) where more than 99% of electricity consumed in the plant comes from renewable sources.

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## Sustainable Mobility

As driver expectations change and mobility scenarios evolve, FCA has devoted resources to research, development and experimentation of innovative technologies, including a growing number of **connectivity** solutions. Our focus has also included partnerships in projects such as car-sharing services to provide solutions that are affordable and economically viable.

### Involving the Customer

Developing mobility solutions involves not only understanding vehicle owner habits and trends, but also involving them in the process. The environmental impact of vehicles is strongly influenced by consumer driving behavior and the level of vehicle maintenance.

In the U.S., FCA has been heavily engaged in research on future social and technological trends that will affect nearly every aspect of our business - from design to manufacturing, marketing and human resources. In 2014, various research initiatives focused on mobility trends. The Global Urban Mobility study centered on understanding the mobility needs of North American urban dwellers and the anticipated changing landscape in urban populations in the next 10 years. The U.S. Family Mobility research objective was to learn how Millennial and Generation X parents' mobility needs might differ from those of previous generations, and explore if there might be differences between these two generations' aesthetic or functional preferences. The research projects provided insight into functional and experiential vehicle needs for new mobility concepts, services and products.

### eco:Drive

GRI-G4 DMA, EN27



FCA continues to invest in **eco:Drive**, a software system that offers personalized tips to drivers based on driving style with the objective of helping them reduce fuel consumption and emissions. Eco:Drive is currently available in Europe, Brazil, the United States and Canada for almost all Fiat and Fiat Professional models: 500X, 500 and 500L, Punto, Bravo, Qubo, Doblo, Linea, Panda, Grande Punto Van, Punto Evo Van, Bravo Van, Fiorino, Doblo Cargo and Ducato. The software includes specific functions to measure energy savings associated with the Start&Stop system and the use of natural gas. In Europe, the data collected from eco:Drive's best users confirmed that fuel consumption can be reduced by up to 16% using this system. By the end of 2014, more than 98,400 customers, including more than 4,000 new users, had used the software with CO<sub>2</sub> savings exceeding 6,000 tons/year.

New features are continuously being developed in order to make eco:Drive more fun and engaging. As an example, the **eco:Drive™ LIVE** application was introduced on the Fiat 500L and 500L Living. The system displays information to help owners monitor their eco-driving performance in real time. Using advanced technologies like those incorporated in the new **Uconnect™ LIVE** infotainment system on the Fiat 500X, the connected car concept of communicating with the world has been expanded. For example, with the new system, eco:Drive™ data is now automatically uploaded and accessible via the cloud.

Uconnect™ LIVE also includes direct access to the my:Car app. The app gives owners everything they need to manage vehicle maintenance, including maintenance alerts, scheduled service reminders and accessing the owner's manual on the system's touch screen display.

In addition to these new features and functionality, the eco:Drive Mobile application, compatible with Android smartphones and Apple iPads, is also available. It provides users with immediate, direct feedback using their mobile devices.

In 2014, FCA launched **eco:Drive™ Social**, a community that offers users of the eco:Drive application the opportunity to earn virtual badges for improving their eco-performance and sharing their results with other users via Facebook or Twitter.

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## Urban Freight Logistics

GRI-G4 DMA, EN27



In recent years, the challenges of urban logistics have been impacted significantly by factors such as:

- increasing urbanization
- restricted access to city centers during peak hours
- rapid growth in e-commerce and an increase in door-to-door deliveries.

These factors have increased the need for freight operators to use low environmental impact vehicles and fleet management tools that help optimize delivery routes and driver behavior to ensure their businesses remain both sustainable and competitive. **Fiat Professional's** range of light commercial vehicles, partnered with conventional and alternative engine options, is designed to help customers meet the urban logistics challenge. The majority of Fiat Professional models also offer **eco:Drive Fleet**. Based on the Group's proprietary eco:Drive software, this free and easy-to-use application has proven to be highly effective in helping fleet managers and drivers reduce their carbon footprint and cut fuel costs by as much as 16%.

In 2013, Fiat Professional was chosen as the 2013 LCV Manufacturer of the Year at the Green Fleet Awards. Recognizing the eco-performance of the vehicles, both DHL Express Italy and bpost, the Belgian post company, selected Fiat Professional vehicles for their fleets in 2014. The [DHL commercial](#) agreement included 820 Ducato vehicles (Multijet and Natural Power models) while the [bpost agreement](#) included 950 Doblò vehicles, 75 Fiat Ducato vehicles and 120 Fiat Scudo vehicles.

## Alternative Mobility Solutions

Among topics discussed at the Group's Stakeholder Engagement activities was the concept of new ways to use vehicles. Vehicles today are more flexible and customized than ever before, and are designed for both city and country driving. Looking toward the future of mobility and the potential response to a changing market environment, FCA has launched various initiatives that illustrate its commitment to meet these new challenges.

## Enjoy

GRI-G4 DMA, EN27



Enjoy is a car-sharing service that offers a fleet of high efficiency vehicles to urban drivers. It was launched in Milan (Italy) at the end of 2013 by ENI in partnership with FCA which provided more than 1,400 vehicles. In 2014, it was expanded to Rome and Florence. The program is a technology based **car-sharing** service that does not require the user to return the vehicle to a fixed point, but allows them to leave it anywhere within the area covered by the service. Enjoy is internationally unique in terms of innovation and sustainability and uses vehicles with very low emissions (Fiat 500 family) which are particularly adapted to urban areas as they are small and take up less road and parking space.

Since the service was launched in December 2013, approximately 230,000 individuals in Milan, Rome and Florence have signed up to use the service.

The process for registering and using the Enjoy service does not require physical registration or paper documentation. All the operations, from registration to use, are managed online using special smartphone applications. All cars have a very low emission level (less than 120 g CO<sub>2</sub> per km) and are equipped with the latest security and innovation technologies.

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## Fiat Likes U

GRI-G4 DMA, EN27



In collaboration with the Italian Departments of Education and the Environment, FCA launched the [Fiat Likes U](#) project in 2012, with students from eight universities across Italy taking part. The project represents the first time in Europe that an automaker has worked with universities on an initiative to promote environmental awareness and the use of eco-friendly cars through a three-pronged approach: Mobility (free car-sharing service for students), Study (eight university scholarships and eight seminars conducted by FCA managers) and Work (eight paid internships within the Group).

In addition to the expansion of the program in Italy to 10 national universities, the second phase of the Fiat Likes U project extends to five additional countries (Netherlands, Spain, Poland, Denmark and Germany), reaching 785,000 students. The initiative has proven extremely successful: more than 1,200 students used the car service in 2014, which includes a fleet of Fiat Pandas and 500Ls, totaling more than 250,000 kilometers. The cities involved in 2014 were Turin, Pisa, Padua, Bologna and Rotterdam.

## Fiat 500e Pass

GRI-G4 DMA, EN27



Another innovative mobility program, the Fiat 500e Pass, provides alternative transportation to Fiat 500e customers in the U.S. The program offers a flexible solution for situations when a 500e customer needs to drive beyond the vehicle's range or needs the carrying capability of a larger vehicle. Customers receive up to 12 days of alternate transportation each year for the first three years after the date of purchase.

## Expo 2015: FCA Global Partner

GRI-G4 DMA, EN27



FCA, through its Alfa Romeo, Fiat, Lancia, Abarth, Jeep and Mopar brands, and CNH Industrial, through its New Holland Agriculture brand, are Official Global Partners of [Expo Milano 2015](#).

Beginning in 2013, FCA provided a fleet of sustainable cars for use up to and during the Expo. A total of 35 vehicles are already in use, including 21 natural gas-powered Fiat 500Ls. An additional 50 natural gas/biomethane Fiat 500Ls have been made available for car-sharing by visiting delegations from around the world, together with 10 Fiat 500e electric service vehicles and 10 executive sedans for use by officials. This car-sharing fleet will also include connectivity functions supported by Magneti Marelli's Telematic Box, or TBOX. A number of services are accessible via the TBOX such as remote lock/unlock capability, vehicle locate and geofencing.

The natural gas Fiat 500L is one of a full range of natural gas vehicles offered by the Group, which has been the European leader in this technology for more than 15 years.

Promoting the use of alternative fuels is one example of the Group's commitment to responsible and eco-sustainable mobility. The commitment also encompasses the use of advanced technologies to improve fuel efficiency and reduce vehicle emissions; continuous improvements in the efficiency of conventional engines; software applications that encourage eco-conscious driving; and promotion of eco-compatible mobility solutions such as car-sharing.

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## Improving Traffic Management

Traffic flow is a key factor that can be optimized to reduce travel time and traffic congestion, and the resulting fuel consumption and air pollution. The cutting-edge applications offered by FCA are an expression of our commitment to encourage efficient mobility.

One application that provides traffic management assistance is the [Blue&Me TomTom2](#) (available on the Lancia Ypsilon, Fiat 500, Panda, Punto, Qubo, Doblo and Ducato) which offers drivers peace of mind in city traffic through exclusive LIVE services. In countries where the services are available, LIVE uses the TomTom HD Traffic system to cross-check traffic data with a dynamic calculation of journey routes, providing real-time updates on traffic jams and slowdowns.

The new Fiat 500X, available in Europe starting in early 2015, is the first Group model to offer the new Uconnect™ LIVE infotainment system, which features TomTom™ LIVE with voice command interface and connected navigation services. Drivers with the new system will benefit from a highly accurate traffic service, which receives more than 100 million kilometers of real-time traffic measurements every day, with updates every two minutes. Utilizing superior routing engines and live traffic data, the Uconnect™ system suggests the smartest route to the selected destination and delivers a reliable estimate of arrival time.

Similarly, on the FCA US Uconnect system, customers of select vehicles receive traffic and travel information services via satellite through SiriusXM. In 2014, the service was expanded to a five-year subscription which provides both safety and convenience to the drivers by including information such as accident, construction and road closure alerts and updated directions to avoid congested roads.

In 2014, the SiriusXM Traffic service was available on 25% of navigation system units offered in the United States.

Magneti Marelli is also committed to sustainable mobility through telematics and infotainment technologies, including being a charter member of [GENIVI](#). GENIVI is a nonprofit industry alliance focused on developing In-Vehicle Infotainment (IVI) in a collaborative environment. IVI covers many types of vehicle infotainment applications including navigation and location services, Internet services, music, news, etc. In 2013, Magneti Marelli presented the first open-source platform for in-vehicle infotainment devices<sup>(23)</sup>, enabling connectivity to electronics devices, display of Internet contents, wireless connections and high quality multimedia entertainment. One of the next goals is to connect the vehicles to the “cloud” to provide even more functionality. In 2014, Magneti Marelli extended its methodology to develop a new generation of GENIVI-based products that will be launched in production by the end of 2015.

<sup>(23)</sup> Linux-based.

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## Design for Vehicle Life

FCA's design approach places significant emphasis on the environmental footprint of products throughout their life cycle. This approach addresses the potential to reduce that footprint through the use of eco-compatible materials and substances, and through design choices that **maximize recovery and recycling for end-of-life vehicles**.

Recycled materials accounted for an average of 40% of the weight of Group vehicles type-approved in Europe in 2014. This was achieved, in part, through active participation in a number of international projects researching **innovative uses of recycled materials and biomaterials**. The Group's research activities in 2014 included a mapping of bio-filled polymers, with particular emphasis on those with aesthetic and semi-structural properties that make them suitable substitutes for mineral-filled polymers traditionally used for interior trim. Development on various new applications was completed during the year and several more challenging applications, such as highly scratch-resistant materials for interior and exterior trim, are in the completion phase.

The majority of materials innovation and development is carried out by CRF's<sup>(24)</sup> **Group Materials Labs (GML)**, which is also responsible for monitoring the impact of chemical substances used in the production and distribution of vehicles. Part of that activity includes coordination of FCA's compliance with the REACH regulation in Europe, which restricts the use of Substances of Very High Concern (SVHC). In addition, more generally, GML keeps abreast of changes in legislation and assesses the potential implications for the Group's products and/or processes.

FCA suppliers use the **International Material Data System (IMDS)** to enter information on the composition of their products. That data is fed into the FELIS system, which is used internally to monitor product content, including the presence of SVHCs. The Group uses the IMDS in the EU, Turkey, Latin America, China and NAFTA. IMDS is an important tool for tracking vehicle recyclability and recoverability, as well as monitoring **REACH** compliance, heavy metals and other potentially critical substances, including those on the **Global Automotive Declarable Substance List (GADSL)**. The composition of vehicle components is also monitored for minerals whose availability is considered critical for geopolitical reasons. Examples include rare earth elements and certain noble metals used in catalytic converters. In 2014, there was a 2% year-over-year increase in the number of FCA suppliers using IMDS<sup>(25)</sup>.

The Group monitors the recyclability and recoverability of all type-approved vehicles sold in Europe. At year-end 2014, all Group vehicles sold in Europe were 95% recoverable and 85% recyclable by weight, in compliance with the EU's "**Reusability, Recyclability, Recoverability**" directive (Directive 2005/64 EC), which establishes minimum levels for both recoverability and recyclability.

For more than a decade, the **Vehicle Recycling Laboratory** at the FCA Automotive Research and Development Centre (ARDC) in Windsor (Canada) has played an important role in improving the understanding of product recyclability through the entire product life cycle from development, concept and use, to end-of-life disposal and recycling. To support vehicle end-of-life research and development, the laboratory is equipped with material identification equipment, vehicle fluid removal equipment, unique vehicle dismantling equipment, and advanced data analysis equipment. The ARDC performs vehicle teardowns to satisfy International Dismantling Information System (IDIS) requirements. In 2014, the ARDC initiated complete vehicle teardown material analysis and disassembly manual activities in support of Korea end-of-life vehicles. The information from this analysis will be used for both Reuse/Recycle/Recover (RRR) processing (ISO 22628) and IDIS requirements.

This year, the FCA US Organic Materials Engineering organization approved an additional six materials that contain recycled content, lower density or low emission polymers as sustainable material options for various components. These materials have been added to the Company internal index that is used to track specific grades of plastic materials approved for use on FCA US programs. More than 70 specific grades with recycled content are listed, with the earliest active approval going back to 1993.

<sup>(24)</sup> CRF is the Group's principal research and development center.  
<sup>(25)</sup> Refers to companies registered in Italy.

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The use of recycled material in wheel liners on the Jeep Wrangler and Chrysler 200 has increased from 52% to 64%, resulting in an expected cost savings of €1.20 per Jeep Wrangler in post-consumer recycled material. In addition, in the NAFTA region FCA now uses a renewable soy-based foam product in the A and B pillars and rear wheel wells on several vehicles. Because its density is lower, less foam is required, resulting in a weight reduction of up to 0.68 kg per vehicle. This product blocks unwanted noise in the passenger compartment and enhances the driving experience while contributing to improved fuel economy. In addition, the lower viscosity makes the foam easier to work with than traditional acoustic material used for this type of manufacturing.

#### Materials used<sup>(26)</sup>

Mass-Market Brands in Europe

	Average weight of materials used (kg)	Average composition of vehicles by material (%)	Average weight of recycled materials used (kg)	Average percentage of recycled materials used (%)
Steel	778.2	55.9	305.8	39.3
Cast iron	95.1	6.8	85.9	90.2
Light alloys	110.4	7.9	89.4	81.0
Other metals	36.2	2.6	33.4	92.3
Polymers	188.4	13.6	64.6	34.3
of which thermoplastics	162.6	11.7	64.6	39.7
of which thermosettings	25.8	1.9	—	—
Elastomers	53.3	3.8	—	—
Glass	38.1	2.8	1.3	3.4
Fluids	66.1	4.8	—	—
Other <sup>(27)</sup>	25.6	1.8	9.0	35.2
<b>Total</b>	<b>1,391.4</b>	<b>100%</b>	<b>589.4</b>	<b>42.4</b>

In 2014, the average weight of renewable materials for FCA vehicles in Europe was 7.2 kg.

#### Sustainable Materials

GRI-G4 DMA, EN27



The primary mission of the Group Materials Lab at Centro Ricerche Fiat (CRF) is ensuring regulatory compliance and contributing to continuous reductions in FCA's environmental footprint. In 2014, the Lab's main activities related to:

- solutions for weight reduction
- reuse of materials
- applications for biomaterials

In addition to innovative new vehicle systems, the achievement of sustainable mobility is also dependent on finding applications for new materials, such as **biomaterials**, that provide major environmental advantages. In recent years, research efforts have focused on the development and application of composites made from natural fibers and biologically-derived polymers. These materials from renewable sources have significant potential for the vehicles of the future. CRF has partnerships with companies that specialize in the application of these materials for use on automobiles and works with several major research institutes to monitor scientific developments and potential applications for biomaterials.

One example is the partnership with *BRIGIT*, a European project whose objective is to develop a cost-competitive and environmentally-sustainable process to produce bio-based composites (biopolymers in combination with natural fibers) with the properties (e.g., durability, strength and fire resistance) that will enable them to be used in place of existing petroleum-based materials on passenger cars and commercial vehicles.

<sup>(26)</sup> Average for 2014 existing range of type-approved vehicles in Europe, based on Directive 2005/64/EC.  
<sup>(27)</sup> In addition to other metals.

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## Monitoring Hazardous Substances

GRI-G4 DMA, PR1, PR3



FCA works to eliminate or reduce the concentration of substances, such as heavy metals, that pose a serious risk to human health or the environment. In the European Union, the **REACH** regulation restricts the use of such substances, regularly publishing a Candidate List that contains **Substances of Very High Concern (SVHC)** that may be subject to authorization or restrictions in the future.

FCA uses the International Material Data System (IMDS) to track the composition of individual materials and components. Data from IMDS is then fed into the FELIS system, which is used internally to monitor the content of all vehicles in real time and identify the presence of any SVHCs. The IMDS and FELIS systems are also used to produce a complete list of components containing substances included in Annex XIV of REACH (the “Authorization List”).

During 2014, the analysis of vehicles, parts, engines and transmissions was updated following publication of the Candidate Lists to ensure compliance with the notification requirements of Article 33 of the REACH regulation. In the NAFTA region, the engineering organization engaged with suppliers through forums such as the dedicated “SoC (Substances of Concern) Team” to reformulate and revalidate all IMDS-identified components containing SVHCs. The results confirmed that the percentage of SVHCs in all FCA vehicles is less than 0.1%.

FCA launched a review in 2014 to determine suppliers’ level of awareness regarding the Authorization List. The review focused particularly on four phthalates with a sunset date in February 2015. The majority of suppliers confirmed that these phthalates had already been substituted with other substances.

This process will be repeated for other Annex XIV substances impacting our products or processes ahead of future sunset dates.

We conduct periodic training and disclosure sessions, both internally and externally, to increase awareness and understanding of the issues and regulations relating to dangerous substances. We also regularly participate at conferences and other major events and maintain close relationships with the relevant regulatory authorities. In 2014, FCA attended a summit hosted by the ECHA (the European chemical agency) in Helsinki (Finland) where we participated in an industry-wide open dialogue on issues of global relevance regarding chemical management and control.

## Ethical Sourcing of Raw Materials



Many geopolitical experts believe that conflicts may increasingly arise in the future over access to raw materials. As a result, FCA places a high priority on **responsible sourcing** and the integrity of its suppliers. We monitor events very closely in countries considered politically or economically unstable for potential disruptions in the supply chain that could compromise the availability of essential raw materials that are difficult to replace. One example of such materials are **conflict minerals**, where the proceeds of mining tantalum, tin, tungsten and gold may directly or indirectly be used to finance or benefit armed groups in the Democratic Republic of the Congo or an adjoining country. FCA is committed to promoting socially responsible sourcing by making reasonable effort to trace the source of conflict minerals contained in our products in order to avoid knowingly using conflict minerals from sources that support or fund inhumane treatment, including human trafficking, slavery, forced labor, child labor, torture and war crimes in known regions of conflict.

In addition, certain raw materials could become extremely scarce in the near future, as happened in 2010 with rare earth elements (REE) following the decision by China, the world’s predominant supplier, to restrict production and export.

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Since supply chain management is an essential part of responsible sourcing, FCA provides suppliers with the necessary support to understand and comply with regulations on conflict minerals, including guidance for using the appropriate tools to trace their origin. In addition, an internal working group was formed to ensure close collaboration between the EMEA and NAFTA regions, with members including representatives from the Purchasing, Legal and Global Materials Lab organizations. In 2014, EMEA suppliers who are subject to the Dodd-Frank disclosure requirements participated in an information event in which they were briefed on FCA compliance procedures.

We also continued mapping use of raw materials and noble metals that could threaten the industry's sourcing stability due to the potential lack of availability. The objective is to develop alternative solutions, either through substitution or recycling, and identify **opportunities for recycling or reuse** through collaboration with other industries. FCA's Global Materials Lab personnel are actively involved in the EU's Horizon 2020 research and innovation program as experts in support of the search for viable solutions in this area.

#### Related contents

[Conflict Minerals](#)



#### Application of Life Cycle Assessment

Through the evaluation of the environmental impact of materials, components and production processes, **Life Cycle Assessment (LCA)** makes an important contribution to the Group's design choices. Based on the principles set out in ISO 14040/44, LCAs also take into account factors relating to energy and other resources consumed in production, use and recycling, and waste generation.

As voluntary measurement becomes increasingly common, companies are being challenged to assess the environmental impacts of their products more rapidly and effectively.

In 2014, FCA increased its LCA training activities, specifically in the NAFTA region where the first full vehicle LCA compared a NAFTA 2014 Jeep Cherokee with an EMEA 2014 Jeep Cherokee. Particular attention was given to modeling the two scenarios, and included such aspects as differences between U.S. and European regulations relating to end-of-life requirements, tailpipe emissions limits and other factors.

In EMEA, FCA conducted an LCA which compared the environmental performance of CNG/gasoline, gasoline only and biomethane (virtual) versions of the Fiat 500L. That LCA was submitted to a **critical review** by SGS Italia S.p.A. which verified that it had been conducted in compliance with ISO 14040/44.

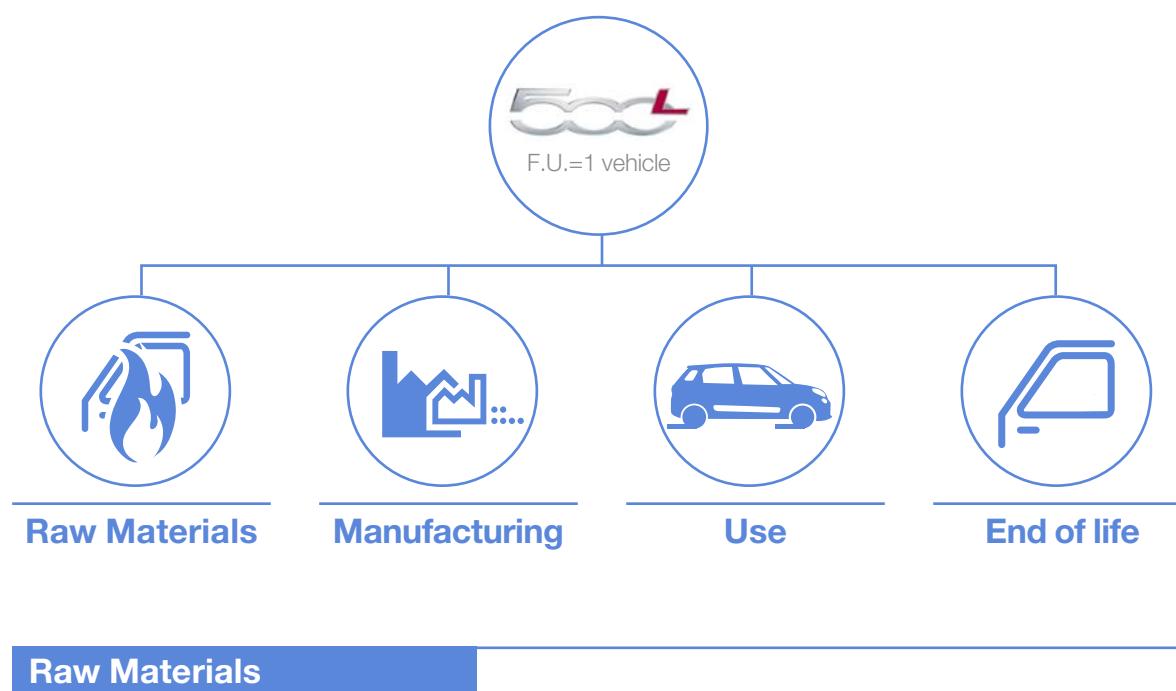
A new LCA study to compare the Fiat 500e electric vehicle with the Fiat 500 1.2-liter 69 hp gasoline version will be concluded in 2015 and subjected to review by external auditors. This is the first FCA study performed on an electric vehicle. The primary goal is to investigate the environmental impacts of electric vehicles, changing the electricity grid mix to better understand potential markets from an environmental point of view.

By continuing to look at both the overall performance of each vehicle and the environmental performance specific to each stage in its life cycle, vehicle LCAs continue to make a significant contribution to the development of new, more **environmentally-friendly products**.

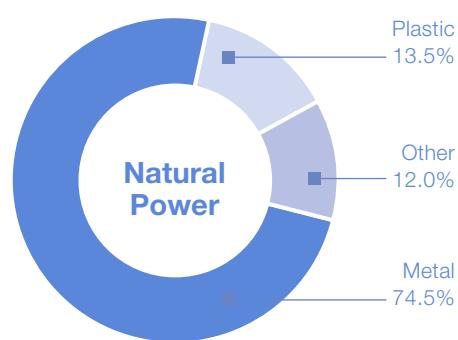
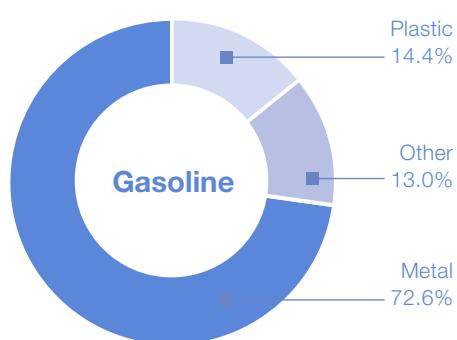
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CRF also continued EU-funded **research projects on biopolymers and recycled materials**, including an LCA of biopolymers and polymers with natural fillers and functionalized surface treatments with improved mechanical or aesthetic performance as part of the **MATRECO<sup>(28)</sup>** National project. This university project is developing new composites based on materials with low environmental impact.

Also of note was the **LCA analysis of the new Fiat Uno dashboard** in Brazil, which uses a jute and polypropylene fiber thermoformed composite material as an eco-friendly alternative for nonstructural dense polypropylene plaques. In addition, a theoretical LCA study is being conducted on use of the calcined residue of poultry eggshells as filler or reinforcing material in polypropylene composites, as a substitute for traditional non-renewable mineral fillers.



### Raw Materials



<sup>(28)</sup> Materiali Avanzati per TRasporti ECOsostenibili.

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## Manufacturing

### Gasoline



9.63 GJ/car



4.37 m³/car



64.92 kg/car

### Natural Power

10.18 GJ/car

6.67 m³/car

64.92 kg/car

## Use

### Gasoline

137 g/km<sup>(1)</sup>5.9 l/100km<sup>(1)</sup>

### Natural Power

105 g/km<sup>(2)</sup>3.9 l/100km<sup>(2)</sup><sup>(1)</sup> fuel ratio: 100% gasoline - 0%CNG<sup>(2)</sup> fuel ratio: 0% gasoline - 100%CNG

## End of Life

### Gasoline

#### RRR

Energy of ELV management  
(2000/53/EC)

264.5 MJ/car

RRR Indexes (ISO 22628)

Rcyc= 85.05%

Rcov= 95.39%

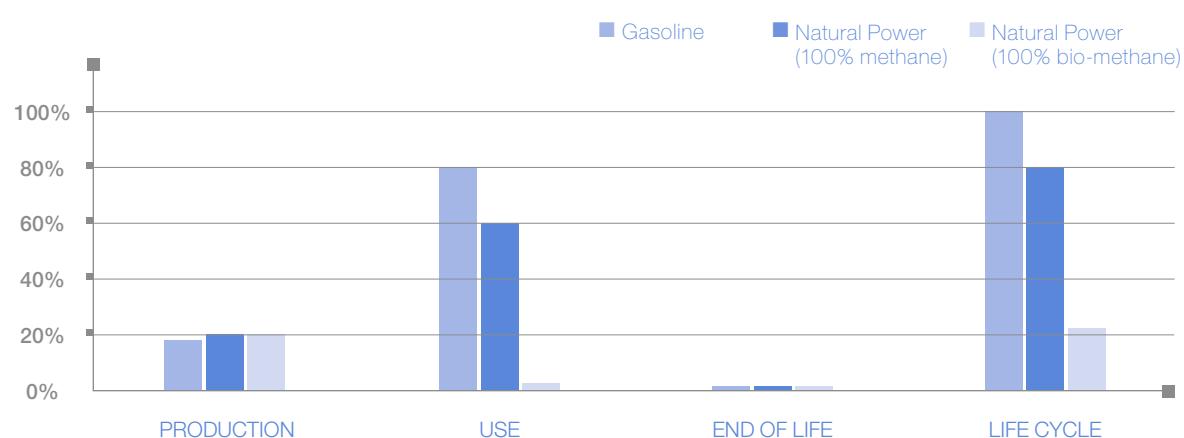
### Natural Power

264.5 MJ/car

Rcyc= 85.97%

Rcov= 95.66%

## Results (ISO 14040/44)

GWP (kg CO<sub>2</sub> eq): Global Warming Potential

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## Magneti Marelli LCA case studies

GRI-G4 DMA, EN27



In 2014, Magneti Marelli continued activities to increase application of the **LCA methodology** in both technical and organizational terms.

Two additional projects were completed in 2014, which consisted of comparative assessments between traditional and innovative technologies relative to:

- rolled and stamped mufflers (Exhaust Systems)
- blow molded and injection molded fuel tanks (Plastic Components and Modules).

These assessments showed the primary impacts related to raw material production and the use phase of the components once installed on a vehicle. To a lesser extent, there are also impacts at the local level relating to the manufacturing phase.

Analysis of the results also highlighted potential for improvements in certain segments of the manufacturing phase and further reductions in the quantity of raw materials used.

Magneti Marelli continues to use selected KPIs to quantify and track its LCA performance.

LCA has become part of the Environment and Energy pillars in the WCM methodology, providing significant added value for plants working toward achievement of score 5.

The initial application phase of LCA methodology is aimed at increasing internal knowledge and involving stakeholders in the life cycle management process. Following completion of this phase, Magneti Marelli trained a team of 12 people since 2012 to spearhead the process of empowering the supply chain - an important aspect given the role of suppliers in raw material production and data collection.

By 2020, Magneti Marelli is committed to expanding the involvement of all business lines through an increase in LCA training, a set of KPIs that are applied globally, and full involvement and awareness of the LCA process across the supply chain.

## LCA Case Study: Biodiesel from Frying Oil

GRI-G4 DMA, EN27



During 2014, FCA continued a Life Cycle Assessment (LCA) of the environmental benefits of producing biodiesel from frying oil.

When improperly disposed of, frying oil can clog drainage pipes and sewage systems, or cause water contamination and soil sealing. The **conversion of frying oil into biodiesel** potentially represents a viable source of renewable energy and an attractive alternative to disposal.

In partnership with Biominas, economic and technical studies have been conducted in Brazil to determine the feasibility of producing biodiesel from used frying oil. More than 1,000 liters of vegetable oil are disposed of monthly by cafeterias at the Betim plant. If turned into biodiesel, this waste oil could be used to power two of the plant's fleet of minibuses. Using a process known as methyl transesterification, the conversion rate for this grade of oil is in excess of 99%.

Based on the potential availability of used frying oil and the monthly usage requirement, the decision was made to construct a biodiesel plant with production capacity of 100 liters/day or approximately 3,000 liters/month. The plant can process all oils derived from oilseed, including waste cooking oils, which can also be pretreated at the plant prior to processing.

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Equipment will be tested and delivered to the Betim plant in early 2015 with production expected to commence in June following completion of internal processes and receipt of the necessary operating licenses.

A by-product from this process is glycerin. The FCA Manufacturing Engineering Powertrain department at the plant has established a partnership with the Federal University of Minas Gerais (UFMG) for the research and development of a biodegradable cutting fluid using glycerin. The objective of this two-year project, which is still in the early stages, is to substitute elements of the semi-synthetic cutting fluid currently used in the engine and driveline machining process with a renewable resource.

## Vehicle End of Life

To minimize the environmental impacts of our products in the recycling, recovery and disposal stages, FCA applies an **ecodesign philosophy** that incorporates **end-of-life issues in the design process**.

In addition, we also actively promote development of the recycled materials market, which is essential to the process of replacing the linear “take, make, consume, dispose” model of consumption with a sustainable model of recycle and reuse.

At FCA, the ELV (End-of-Life Vehicle) & Car Recycling unit is responsible for ensuring compliance with regulations relating to end-of-life vehicles applicable to vehicle manufacturers and/or importers.

In the EMEA region, initiatives began at FCA with the launch of the F.A.RE. (Fiat Auto REcycling) project in 1992, and then gained momentum with the ELV Framework Program Agreement signed in 2008 by the Italian Ministries for the Environment and for Economic Development and major participants from Italian industry.

That commitment played a significant part in helping Italy meet the 2012 targets set by the European Union (80% recycling and 85% recovery). FCA also recognized early on that it would be essential to strengthen its commitment and intensify dedicated activities and programs in order for Italy to reach the even more ambitious EU targets for 2015 (85% recycling and 95% recovery).

In 2014, FCA further intensified efforts that will contribute to achievement of the EU's 2015 targets. These include the redrafting of the Framework Program Agreement (which expires in 2015) and collaboration with economic operators and industry associations to establish the technical requirements upon which new Italian regulations can be based and identify solutions to maximize energy recovery from automotive shredder residue. FCA is a major proponent for inclusion of two new objectives in the revised ELV Framework Program Agreement: 1) improve the traceability of ELVs and 2) combat the illegal export of ELVs. In 2014, FCA launched a training program on ELV management for Company-owned dealerships to increase traceability of ELVs within its own network, as well as initiate and monitor the ELV activities of independent dealerships in the FCA network.

The ELV team also established new procedures for proper disposal of ELV lithium-ion batteries used on the Fiat 500e. A strategy was also established for treatment of batteries on the next generation electric and hybrid vehicles.

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## Europe and non-European markets

In the EMEA region, FCA has developed a network of authorized agents specializing in dismantling end-of-life vehicles and **separating the materials for recycling and reuse**.

During 2014, audits were conducted at dismantling facilities in Italy to verify correct application of procedures and compliance with legal requirements. Currently, about 52% of operators in the network have quality, environment, ethics and/or safety certification. For FCA vehicles that have reached end-of-life, **free take-back** is guaranteed in all EU countries.

Across Europe, our ELV network is improving the level of service offered to customers. For example, one service provider in France has set up a website for owners that enables it to estimate the number of vehicles ready to be scrapped and then organize collection in the area. Another FCA service provider in France is able to achieve 95% recycling of all ELVs dismantled in 2014.

In Germany, FCA's ELV network grew by about 7% resulting in final owners having a shorter average distance to travel to deliver their end-of-life vehicle, translating into lower costs and CO<sub>2</sub> emissions.

In the U.K., FCA appointed a new service provider through which customers can schedule a pickup online. Depending on location, these customers may also be eligible for cash back.

In Ireland, FCA collaborated with other importers to set up a new compliance entity (ELVES) intended to contribute to improved reuse/recycling/recovery quotas.

In Europe, treatment of end-of-life vehicles is strictly regulated by **EC Directive 2000/53**. Outside Europe, at least 35 countries also have ELV regulations and monitoring in place. During 2014, ELV monitoring activities increased by 5% globally, including new programs in emerging markets such as Kazakhstan and Mongolia where awareness of these environmental issues has recently begun to gain momentum.

In 2014, several initiatives in EMEA, including advocacy activities and the appointment of a zero-cost ELV service provider in the U.K., led to savings of 10% on the total cost of our vehicle recycling activities.

Improvements were also made to the FCA website dedicated to ELV recycling ([www.carecycling.flat.com](http://www.carecycling.flat.com)), which is used by our ELV experts to identify relevant best practices, policies and regulatory developments worldwide.

Lastly, FCA actively contributes data to the International Dismantling Information System (IDIS), a system developed by the automotive industry which provides comprehensive information on optimizing dismantling procedures for 1,959 model ranges for approximately 70 vehicle brands. The system is available free of charge in 39 countries and 30 different languages.

## United States

In the United States, there are approximately 9,000 auto dismantlers in operation. Every year end-of-life vehicles produce more than 16 million tons of steel among other materials that can be reused and recycled (source: [www.autoalliance.org](http://www.autoalliance.org)). FCA US is committed to the recycling and recovery of end-of-life vehicles and partnered with other automakers to establish the End-of-Life Vehicle Solutions Corporation (ELVS). Collectively, this industry collaboration continues to promote the industry's environmental efforts in recyclability, education and outreach on issues such as disposal of elemental mercury from automotive switches and end-of-life high voltage batteries from electric and hybrid vehicles.

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## Research and Development

GRI-G4 DMA, EN4, EN17, PR3



Extensive research has been conducted on energy recovery from **Automotive Shredder Residue (ASR)**, or “fluff,” which is no longer recyclable, and other vehicle parts such as tires.

FCA’s research center, CRF, led a project known as **Target Fluff** on behalf of our End-of-Life Vehicle unit. Target Fluff also involved three industrial groups in the shredder business, and was subsequently presented as part of the *Italian Industria 2015* innovation program. This research and development project, partially funded by the Italian Ministry for Economic Development, increased knowledge of recycling and energy recovery technology, and helped the companies involved to invest in technology that optimizes the separation of metal from fluff and prepares it for conversion into energy. This project, which ended in May 2014, led to the installation of three recovery plants for treatment of fluff from end-of-life vehicles.

FCA is also committed to promoting **recycling of end-of-life vehicle materials** through innovative technology and researching new potential in emerging markets. For instance, in 2014 the PFU (End-Of-Life Tires) collection system sent 100% of the tires collected from all dismantlers in Italy for recycling, representing more than 20,000 tons. This service is entirely free of charge to the dismantler, while the costs incurred for collection, management and recycling are covered by the PFU Committee managed by the Automobile Club of Italy.

In collaboration with the committee, FCA is working to develop potential new markets for recycled rubber, as well as stimulating competition among companies involved in the recycling process to achieve a reduction or elimination of the ecotax on new vehicles, which currently subsidizes this activity.

FCA continues to participate in the **TyRec4Life project**, funded under the European Union’s **LIFE+ project**. The aim of this project is to develop innovative technologies to incentivize the use of rubber from end-of-life tires in road paving and improve the characteristics and performance of asphalt in terms of safety, comfort, resistance, environmental impact and noise. Life Cycle Risk Assessment (LCRA) and Life Cycle Assessment (LCA) studies have been conducted to evaluate safety and sustainability of the product and process, as well as ensure security and eco-sustainability.

In 2014, CRF conducted a Life Cycle Assessment (LCA) of bituminous conglomerate (asphalt) made with rubber powder from recycled tires compared with standard asphalt. The main findings in terms of Global Warming Potential were that open-graded mixes (i.e., dry/wet) generated similar impacts as standard asphalt, while the impact of gap-graded mixes (i.e., wet) is as much as 12.41% lower.

Finally, FCA measures CO<sub>2</sub> emissions and the associated energy consumption resulting from end-of-life vehicle treatment. In 2014, CO<sub>2</sub> emissions amounted to approximately 209 kg of CO<sub>2</sub>eq per vehicle, while energy consumption was 1,600 MJ (PED - Primary Energy Demand per vehicle)<sup>(29)</sup>.

<sup>(29)</sup> In order to calculate the GWP of the end of life of an average FCA vehicle, Life Cycle Assessment analysis is conducted according to ISO 14040-14044 and performed with Gabi 6 software and the CML 2001 method (updated as of April 2013). Outcomes take into account the environmental debts due to the following ELV management activities: depollution (oil, fluids), dismantling for component reuse and material recycling, shredding activities, and landfilling of the Automotive Shredder Residue. The environmental credits due to the reuse, recycling and recovery of the materials sorted are out of the scope of the LCA.

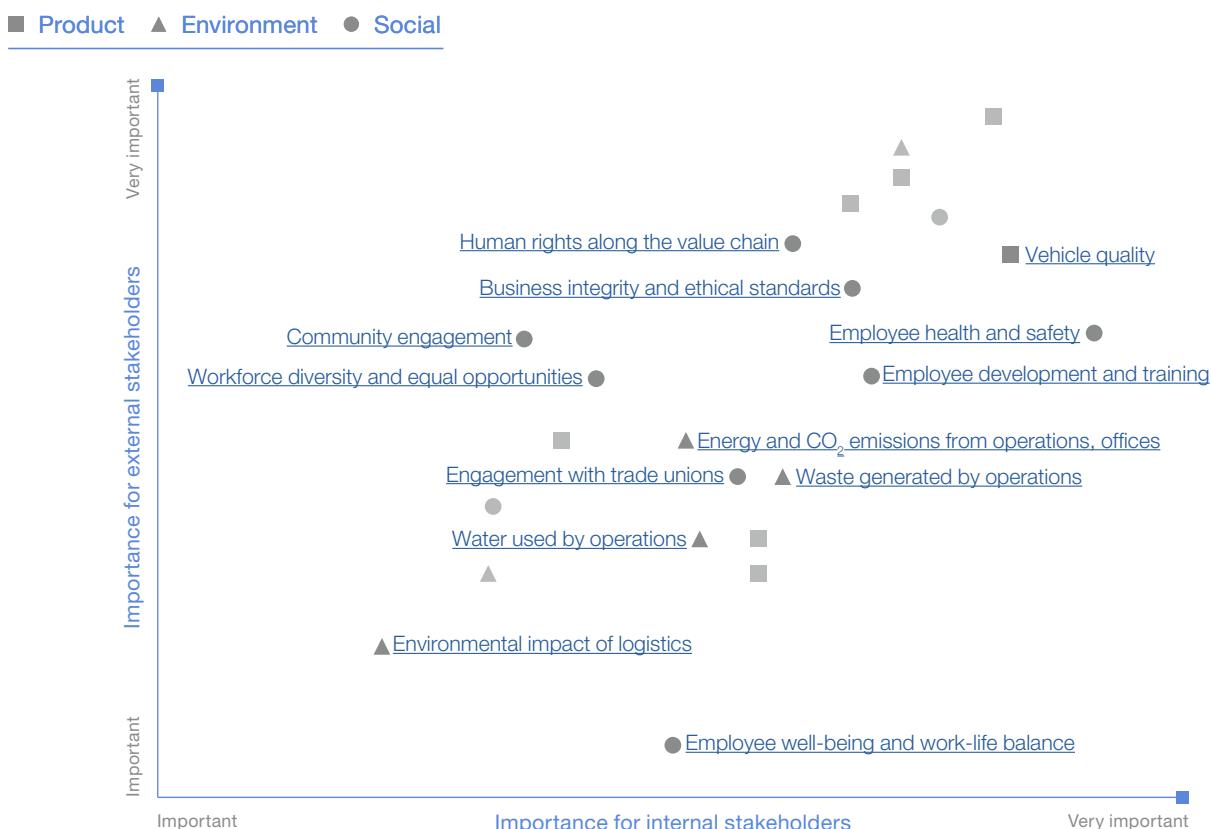
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## Plants

- World Class Manufacturing
  - Process Certification
  - Environmental Management
  - Energy Consumption
  - CO<sub>2</sub> and Other Emissions
  - Water Management
  - Waste Management
  - Biodiversity Conservation
- ▲ Sustainability Plan

### Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Plants will be reported.



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## World Class Manufacturing

At FCA, one of our key commitments is to reduce our environmental impact during the production phase.

Proof of this is the expansion of **World Class Manufacturing (WCM)**, a system that has been in place for several years and now covers 97%<sup>(1)</sup> of our plants.

WCM is a structured, rigorous and integrated methodology covering every aspect of the entire organization, from safety to the environment, from maintenance to logistics and quality. The WCM system is aimed first and foremost at improving production processes to ensure product quality with the aim of meeting or exceeding customer expectations.

At year-end 2014, a total of 122 FCA plants have implemented WCM: 38 have achieved **bronze** level, 12 **silver** and four **gold level** (engine and transmission plant in Bielsko Biala, Poland and assembly and stamping plants in Tychy, Poland, Bursa, Turkey and Pomigliano, Italy).

The projects developed within WCM are designed to achieve the broadest engagement of employees and systematically reduce losses and waste, ultimately reaching **zero accidents, zero waste, zero breakdowns** and **zero inventories**.

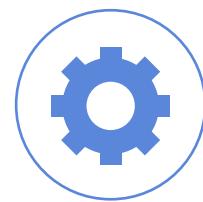
The WCM system reflects our commitment to environmental and sustainability issues.

WCM, and in particular the Environment pillar, is an integral part of the Group's Environmental Management System (EMS). This pillar is dedicated to the development of instruments and methods that provide support in reaching targets to curb the environmental impact of plants while aiming to cut waste and optimize energy use. The Energy sub-pillar, included under the Environment pillar, plays a key role in improving energy performance through specific projects targeted at eliminating inefficient energy use.

In 2014, about 2,700 specific energy projects were implemented, resulting in approximately 290,000 fewer tons of CO<sub>2</sub> emissions. The roughly 3,700 environmental projects started during the year resulted in cost savings of €54 million.<sup>(2)</sup>

To manage and **minimize environmental and safety risks**, a preventive and proactive approach is employed.

In the event of an accident, WCM calls for a rigorous analysis of the causes and application of the most appropriate procedures to reduce the risk of recurrence. Moreover, in the event of an environmental accident or a natural disaster (e.g., hurricane, flood, earthquake, fire) all plants are covered under a contingency plan whose purpose is to limit the event's environmental impact, as well as to preserve the integrity of physical assets, ensure the continuity of operations and limit financial implications in general.



**4 WCM gold plants**



**€54 mn saved**

<sup>(1)</sup> Percentage based on the total manufacturing cost base.

<sup>(2)</sup> Data is prorated to include carry-over from projects launched in 2013.

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The success of WCM is highly dependent on the participation of employees, who are periodically involved in targeted training programs. All Group plant employees worldwide are encouraged to make suggestions, each of which is assessed for potential application. In 2014, FCA plant employees submitted a total of 2 million suggestions for improving processes, representing an average of 13.7 per employee.<sup>(3)</sup>

Furthermore, an essential contribution to extending the best processes to all plants derives from the sharing of innovative **best practice projects**, with more than 12,000 approved and disseminated across the Group's plants through 2014.

WCM tools and methods can also be applied to other activities not strictly related to production. FCA is transferring these principles into its Logistics, Manufacturing Engineering, Design activities and Dealers as well, to integrate this approach in other areas of the Company.

Moreover, we are committed to also implement WCM among suppliers. The engagement of plants and suppliers enables the most relevant environmental impacts to be minimized as an integral part of the daily management of production processes along the entire value chain. This entails reducing greenhouse gas emissions, conserving energy and raw materials, and reducing water consumption and waste generation by maximizing reuse and recycling.

## Energy Partnership



FCA's partnership with **EDF-Fenice** in Europe has proven a winning combination in terms of energy and economic efficiency and the development of advanced technology.

A recent joint initiative was the energy efficiency workshop, organized by FCA's WCM Development Center and EDF-Fenice's Energy Efficiency Campus to promote the most competitive and sustainable practices for the Group's European plants over the next few years.

Speakers at the workshop (which was attended by 50 participants from FCA) included members of the European Commission and representatives from ENEA, Unione Industriale, leading sustainability rating agencies and leading companies in the energy efficiency field.

One of the objectives of the workshop was to establish an action plan of operational and investment initiatives aimed at further improving energy efficiency at Group plants in Europe.

FCA and EDF-Fenice remain committed to continued investment in this area, including further development of the WCM Energy pillar. Energy efficiency is vital to the competitiveness and sustainability of our production processes and we believe it will be a major contributing factor to future profitability of the Group's activities in the EMEA region.

## Related contents

[WCM Suppliers](#)



[WCM Academy](#)



<sup>(3)</sup> In order to improve the quality of the data, all suggestions for restoring processes to baseline level have been excluded from the calculation and, therefore, this year's figure for "suggestions per employee" is not comparable to figures published in prior years.

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## Process Certification

As an integral part of our management of industrial processes, we are committed to implementing and maintaining our **Environmental Management System (EMS)** at all of our production plants worldwide, compliant with the ISO 14001 standard. At the end of 2014, 139 Group plants (including all those in scope in 2012), representing 100% of industrial revenues<sup>(4)</sup> and 97% of manufacturing employees<sup>(5)</sup> were **ISO 14001** certified. The plants still awaiting certification have adopted an EMS which complies with the ISO 14001 standard. These plants are regularly audited by the central Environment, Health and Safety (EHS) unit, which verifies compliance prior to third party audits.

An EMS certified by accredited third parties and associated with WCM methodologies and tools ensures the achievement of a steady and continuous reduction in the impact of manufacturing processes, as well as achievement of environmental objectives.

Both WCM and the management systems are based on the Group's Environmental Guidelines, which reflect our commitment to being a responsible environmental steward.

These guidelines apply to all employees worldwide. They specify the correct approach to environmental issues and provide clear instructions on setting and updating environmental objectives, developing new products, and conducting daily activities around the globe. While implementing these Guidelines, the Group complies with all applicable environmental laws and regulations and constantly strives to outperform them.

Action plans and related short-, mid-, and long-term projects aimed at reducing the environmental footprint and ensuring financial sustainability are in place at our plants. In 2014, expenditures and investments for the environment amounted to almost €94 million<sup>(6)</sup>, clearly demonstrating the Group's commitment to environmental protection. This commitment is illustrated by the fact that **no significant spills** were reported for the Group in 2014, and **no relevant environmental violation** has been recorded in 2014.

With respect to the **Energy Management System (EnMS)**, efforts continued in 2014 to integrate an EnMS compliant to the ISO 50001 standard into the EMS. At year-end 2014, the vast majority of Group plants were certified, representing approximately 94% of the Group's total energy consumption. This result is in line with the target for 2020 to have all of the Group's main plants, accounting for almost all of total energy consumption, **ISO 50001** certified.



**100%**  
ISO 14001



**94%**  
ISO 50001

<sup>(4)</sup> Industrial revenues are those attributable to the activity of plants directly controlled by the Group in 2014.

<sup>(5)</sup> Manufacturing employees are those directly or indirectly involved in manufacturing processes in 2014.

<sup>(6)</sup> €93.6 million, of which 68.0% for waste disposal, emissions treatment, and remediation costs, and 32.0% for prevention and environmental management costs.

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## Environmental Management

At FCA, environmental protection is managed through its **Environment, Health and Safety (EHS) and Energy organizations**. Each company within the Group relies on its own department responsible for environment, health, safety or energy topics, both at the central and plant levels. Company EHS and Energy managers are responsible for overseeing facility environmental activities and direct capital investments dedicated to specific action plans. They are also in charge of monitoring national and local laws and regulations related to the environment. They ensure that senior management and plant environmental professionals understand the potential impact of new or revised policies on their operations, and also conduct regular compliance audits.

Meetings are held regularly to coordinate FCA activities. This enables EHS and Energy managers to discuss results, share best practices, and carry out benchmark comparisons against our main competitors in key areas, in order to define new actions.

The Environmental Plan sets both annual and long-term targets for each company relative to the principal areas of environmental focus: energy consumption, air emissions, water use and waste generation. The results are monitored on a monthly basis.

A dedicated IT platform ensures that environmental professionals receive regular updates and remain continuously in contact with each other. This platform provides access to training materials and documents on specific environmental areas (general and operational procedures, guidelines, reporting, manuals, etc.), as well as to the systems and other applications used for reporting environmental performance data of individual plants, and for comparing plants within the same operating segment.

The continuous monitoring of environmental performance indicators is the main tool available to management to determine if plants are operating efficiently, to plan new courses of action, to realign programs and interventions, and to set new and more challenging targets.

Data management systems enable EHS and Energy managers to compare the environmental performance of standardized processes, enhancing the ability for internal benchmarking and ensuring opportunities for improvement are rapidly identified. For consistency with financial information and organizational structure, as well as with the data and targets published in previous Group Sustainability Reports, the term "Mass-Market Brand assembly and stamping" refers to 16 assembly and stamping facilities of FCA Italy (formerly Fiat Group Automobiles or FGA) and 19 of FCA US (formerly Chrysler Group or CG). "Mass-Market Brand engines and transmissions" includes 12 engine and transmission facilities of FCA Italy and eight of FCA US. "Mass-Market Brand casting" and "Mass-Market Brand others" refer respectively to two and to seven facilities of FCA Italy and FCA US. Use of the term "Mass-Market Brands" covers all 64 of these facilities.

Like last year, this year's Sustainability Report presents 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, components, etc.), it is not possible to present normalized data at the Group level. Even within certain companies, such as Teksid, normalized data is calculated differently for different production lines.

The only normalized data presented in this Report are for energy, air emissions, water and waste for the Mass-Market Brand assembly and stamping facilities (which account for more than half of total impacts).

For information on the performance and targets of each Group company, see the [Appendix](#) section.

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## Environmental Training

GRI-G4 LA9



Investment in **human capital** at all organizational levels is a key driver for improving FCA's environmental performance. Competence, knowledge and motivation are essential attributes to ensure a deeply embedded environmental culture throughout the Group. For this reason, a variety of methods are used to spread environmental know-how, promote awareness and encourage action planning throughout the Company. The training of specialized personnel working within the Environmental Management System (EMS) continued in 2014. Seminars conducted by internal environmental professionals and online courses provided more than 450,000 hours of environmental training to approximately 107,600 individuals. Training activities focused on prevention, management of environmental aspects, EMS in accordance with the ISO 14001 standard, and Energy Management Systems (EnMS) in conformance with ISO 50001. Additionally, special training was provided to increase employee understanding of their individual impacts on the environment.

Internal employee websites dedicated to Environment, Health and Safety (EHS), and internal periodical newsletters provide information on policies, procedures, organizational responsibilities, publications, best practices, regulatory information and company requirements. These websites also provide links to external environmental Internet sites and IT applications used in the management of environmental programs and training.



**450,000**  
training hours

### Related content

[Training](#)



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## Energy Consumption

Consuming energy responsibly is the basis of FCA's commitment to **reduce energy demand** and to employ energy solutions with an ever-decreasing impact on the environment. This commitment is embodied in the World Class Manufacturing (WCM) Energy sub-pillar which focuses on identifying and implementing energy reduction and efficiency measures. Our efforts to reduce the consumption of energy and related CO<sub>2</sub> emissions resulted in a stable level in the amount consumed in 2014 compared with 2013, despite increased production volumes.

During the year, the Group implemented several initiatives to improve the energy efficiency of systems and equipment, including overhauls or upgrades to existing equipment that contributed savings of approximately 1,100 TJ in energy and 95,000 tons in CO<sub>2</sub> emissions.

### Direct and indirect energy consumption

FCA worldwide (TJ)

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Plants	145	142	144	150
Electricity	21,615	21,272	20,520	21,274
Natural gas	21,260	20,957	18,278	19,253
Other fuels	1,133	1,234	1,322	1,617
Other energy sources	4,636	4,860	5,572	6,731
<b>Total energy consumption</b>	<b>48,645</b>	<b>48,322</b>	<b>45,692</b>	<b>48,875</b>

Organizational measures, such as process redesign and optimization of plant capacity, also had a major impact, producing energy savings of around 1,800 TJ and avoiding some 165,000 tons in carbon emissions. In addition, initiatives to increase energy awareness among employees resulted in a further 400 TJ in energy savings and 30,000 tons of CO<sub>2</sub> emissions avoided.

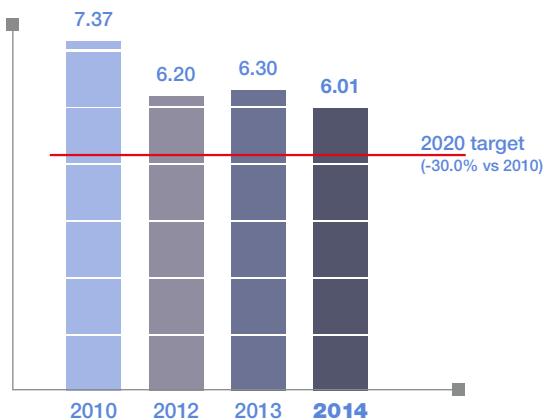
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At Mass-Market Brand assembly and stamping plants, the **energy consumption per vehicle produced** showed a decrease of 4.6% compared with last year, from 6.30 GJ per vehicle produced in 2013 to 6.01 GJ per vehicle produced,<sup>(7)</sup> and by 18.5% compared with 2010 (from 7.37 to 6.01 GJ per vehicle).

**-18.5%**  
energy consumed

Direct and indirect energy consumption per unit of production  
Mass-Market Brand assembly and stamping worldwide  
(GJ per vehicle produced)



#### Related contents

- [Energy consumption reduction in offices](#) >
- [Energy consumption reduction in dealerships](#) >
- [Energy consumption reduction in warehouses](#) >
- [Energy consumption reduction in Pernambuco Plant](#) >
- [Energy consumption reduction in Melfi Plant](#) >

<sup>(7)</sup> Number of vehicles produced is confidential for competitive reasons and therefore are not publicly published.

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## CO<sub>2</sub> and Other Emissions

FCA's engagement in the **fight against climate change** is demonstrated by the general downward trend in CO<sub>2</sub> emissions from our production processes compared with the 2010 baseline.

In 2014, total CO<sub>2</sub> emissions were roughly in line with the amount reported in 2013, for a total of about 4 million tons aided by the 2,700 energy projects that were launched in 2014, which saved €44 million.<sup>(8)</sup>

Emissions of **CO<sub>2</sub> per vehicle produced** at Mass-Market Brand assembly and stamping plants decreased 20.5% in the last five years, falling from 0.616 tons per vehicle produced in 2010 to 0.490 tons per vehicle produced.<sup>(9)</sup>



**€44 mn saved**

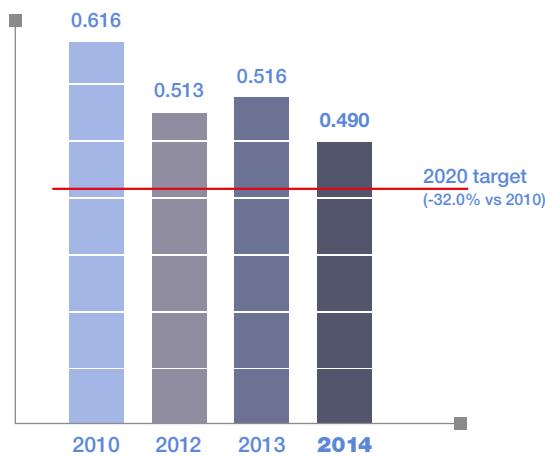


**-20.5%**  
CO<sub>2</sub> emitted

**Direct and indirect CO<sub>2</sub> emissions**  
FCA worldwide (thousands of tons of CO<sub>2</sub>)

	2014	2013	2012	2011
Plants	145	142	144	150
Direct emissions	<b>1,203</b>	1,198	1,069	1,150
Indirect emissions	3,079	2,980	2,896	3,046
<b>Total CO<sub>2</sub> emissions</b>	<b>4,283</b>	4,178	3,965	4,196

**Direct and indirect CO<sub>2</sub> emissions per unit of production**  
Mass-Market Brand assembly and stamping worldwide  
(tons of CO<sub>2</sub> per vehicle produced)



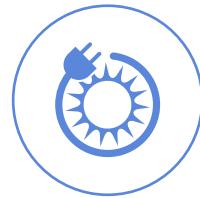
<sup>(8)</sup> Data is prorated to also include carry-over from projects launched in 2013.

<sup>(9)</sup> Number of vehicles produced is confidential for competitive reasons and therefore are not publicly published.

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In 2014, FCA continued to make significant use of **energy from renewable sources**. In Europe, the vast majority of renewable energy purchased for consumption by the Group is certified by the supplier, covering 100% of Italian plants' electricity, while in South America all electricity purchased for consumption is certified as originating almost entirely from hydroelectric sources. In addition, several Group plants use solar power for electricity and/or heating.

Energy from renewable sources used in Group production processes covered 20.4% of the total electricity consumption in 2014.



**20.4%**  
from renewables

## Harnessing Nature's Energy

GRI-G4 EN19

Two examples of FCA's commitment to **renewable energy** can be found at plants in Brazil and India.

In Brazil, our energy needs have been almost entirely met from renewable sources for many years, with **hydroelectric energy** accounting for 99.4% of total consumption in 2014.

In India, over the past three years **wind-generated power** has been used to meet 26.4% of our total electricity needs at FCA joint venture plants. This reduced CO<sub>2</sub> emissions by more than 32,000 tons and generated savings in excess of €500,000.

## Nitrogen and Sulfur Oxides (NO<sub>x</sub> and SO<sub>x</sub>) and Dust

GRI-G4 EN21

NO<sub>x</sub> emissions increased in 2014 as a result of major consumption of natural gas, while SO<sub>x</sub> emissions decreased as a result of the increased use of cleaner fuels.<sup>(10)</sup> Dust<sup>(11)</sup> decreased slightly.

**Direct emissions of NO<sub>x</sub>, SO<sub>x</sub> and Dust<sup>(12)</sup>**  
FCA worldwide (tons)

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Plants	145	142	144	150
NO <sub>x</sub>	<b>1,428</b>	1,396	1,235	1,335
SO <sub>x</sub>	149	172	189	249
Dust	71	74	70	77

<sup>(10)</sup> Estimated emissions based on direct fuel consumption.

<sup>(11)</sup> Also referred to as Particulate Matter.

<sup>(12)</sup> Only emissions which are material and/or applicable for our production processes are reported.

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## Volatile Organic Compounds (VOC)

GRI-G4 DMA, EN21



VOCs are chemical compounds that may have an indirect impact on climate change, and contribute to the formation of ground level ozone and smog.

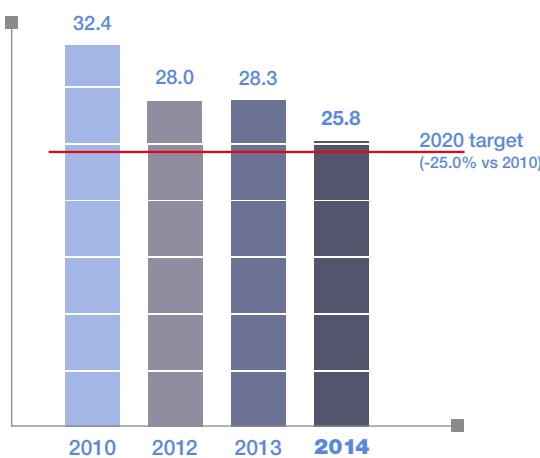
Over the years, FCA has introduced major improvements in its paint shops, including more **efficient paint application technologies** and paints that contain less solvent in order to progressively reduce the associated VOC emissions.<sup>(13)</sup>

Significant reductions were achieved at Mass-Market Brand plants, with an average of 25.8 g/m<sup>2</sup> of VOC in 2014 compared with an average of 28.3 g/m<sup>2</sup> in 2013 (-8.8%) and 32.4 g/m<sup>2</sup> in 2010 (-20.4%).

Since Mass-Market Brand assembly and stamping plants represent more than 95% of FCA's total VOC emissions, the average for all Group plants worldwide shows similar results and trends.

### Emissions of VOC

Mass-Market Brand assembly and stamping plants worldwide (g/m<sup>2</sup>)



**-20.4%**  
VOC emitted

<sup>(13)</sup> VOC emissions are calculated with the mass balance equation, according to the "Operating Guideline for monitoring environmental KPIs - VOC" and apply to FCA's paint shops.

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## Presence of Ozone Depleting Substances (ODS) in Equipment

GRI-G4 EN20



Some equipment used for cooling, air conditioning and climate control contains ODS which are potentially harmful to the ozone layer, the part of the upper atmosphere that protects the earth from ultraviolet rays. In the event of an accident, these substances may leak and contribute to ozone layer depletion. As a consequence, FCA believes that constant monitoring of this equipment is essential to prevent unexpected ODS leakage. **No leaks** of these substances were reported during 2014.

In addition, following an inventory of plants and equipment containing ODS, an action plan for the replacement of these substances was established in 2010. FCA US (formerly Chrysler Group) was included in the inventory for the first time in 2012, and committed to eliminating ODS as equipment is replaced. These substances will be substituted with more **environmentally compatible gases** and/or alternative substances. In 2014, ODS in equipment at in-scope FCA plants worldwide was reduced by 49.7% compared with 2013 and by 75.4% compared with 2010.

## Equipment Containing PCBs and PCTs



Certain electrical equipment (e.g., transformers) uses cooling liquids containing Polychlorinated Biphenyls (PCBs) and Polychlorinated Terphenyls (PCTs). These substances are classified as hazardous and are subject to restrictions relating to their use, production and sale, although this varies from country to country. FCA has been working toward the progressive elimination of these substances ahead of the applicable regulatory deadlines.

## External Noise



With the objective of minimizing noise at our plants to the greatest extent possible, FCA continually monitors noise emitted into the external environment. For this purpose, the Group implements the policies provided by the Noise Management Guidelines, which are in effect across all of our plants.

## Related contents

[CO<sub>2</sub> emission reduction in dealerships](#)



[CO<sub>2</sub> emission reduction in logistics](#)



[CO<sub>2</sub> emission reduction in warehouses](#)



[CO<sub>2</sub> emission reduction in Pernambuco Plant](#)



[CO<sub>2</sub> emission reduction in Melfi Plant](#)



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## Water Management

Water scarcity is one of the primary challenges facing governments, communities, businesses and individuals in many parts of the world today. Because water scarcity also exposes companies to business risk, it is a factor that needs to be managed rapidly and effectively.

FCA sees water as one of the most important natural resources to be protected, so much so that it has drawn up Water Management Guidelines that apply to all Group companies. These provide the principles for sustainable management of the entire water cycle and place greater emphasis on reducing consumption of water resources, especially in water-stressed regions where water is a limited resource and its availability is critical to the surrounding environment and population.

In addition we piloted a project aimed at spreading sustainable water stewardship through our [supply chain](#).

We periodically map the availability of water resources around the world, correlating the quantity of water available with the quantity consumed in each region.

Areas where the Group is present are subsequently overlaid. This risk assessment identified 12 plants located in areas where water is considered a limited resource.<sup>(14)</sup> Accordingly, these plants took appropriate measures to improve water reuse and recycling.

### Water withdrawal in water-stressed regions

FCA worldwide (thousands of m<sup>3</sup>)

Company and plant location	Base line year	Fresh water consumption of base line year	Fresh water consumption in 2014	% variation	Absolute variation
FCA Italy - Tychy (Poland)	2009	627	450	(28)	(177)
FCA Italy - Tychy Dies Shop (Poland)	2010	6	1	(76)	(5)
FCA Italy Engines and Transmissions - Bielsko Biala SDE (Poland)	2009	28	16	(44)	(12)
FCA Italy Engines and Transmissions - Bielsko Biala Twin Air (Poland)	2011	7	6	(10)	(1)
Magneti Marelli - Sosnowiec Ergom PCMA (Poland)	2009	29	5	(82)	(23)
Magneti Marelli - Sosnowiec ER.SI. PCMA (Poland)	2009	47	32	(32)	(15)
Magneti Marelli - Sosnowiec AL (Poland)	2009	102	75	(27)	(28)
Magneti Marelli - Sosnowiec EXH (Poland)	2009	-	2	490	2
Magneti Marelli - Bielsko Biala ShA (Poland)	2009	6	6	11	1
Magneti Marelli - Bielsko Biala SS (Poland)	2009	11	9	(17)	(2)
Comau - Shikrapur (India)	2009	6	9	58	3
Teksid - Skoczow (Poland)	2009	195	171	(12)	(24)
<b>Total thousands of m<sup>3</sup></b>		<b>1,064</b>	<b>783</b>	<b>(26)</b>	<b>(281)</b>

<sup>(14)</sup> Water availability <1,700 m<sup>3</sup>/(person per year). Source: Food and Agriculture Organization's (FAO) global information system.

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As a result of **improvements in water cycle management** and measures taken to reuse water in industrial processes, in 2014 FCA reduced overall water consumption by 1.1% compared with 2013 (from 24.9 to 24.7 million m<sup>3</sup>) and by 27.9% compared with 2010 (from 34.2 to 24.7 million m<sup>3</sup>). Projects to cut the quantity of water consumed led to an overall savings of about €2.4 million in 2014.

#### Water withdrawal and discharge<sup>(15)</sup>

FCA worldwide (thousands of m<sup>3</sup>)

	2014	2013	2012	2011
Plants	145	142	144	150
<b>Total water withdrawal</b>	<b>24.7</b>	24.9	25.9	29.9
<b>Total water discharge</b>	<b>16.3</b>	16.2	17.3	18.8

**Water recycling** resulted in 3.3 billion m<sup>3</sup> of water saved, equivalent to the amount of water that flows over Niagara Falls during a three week period.

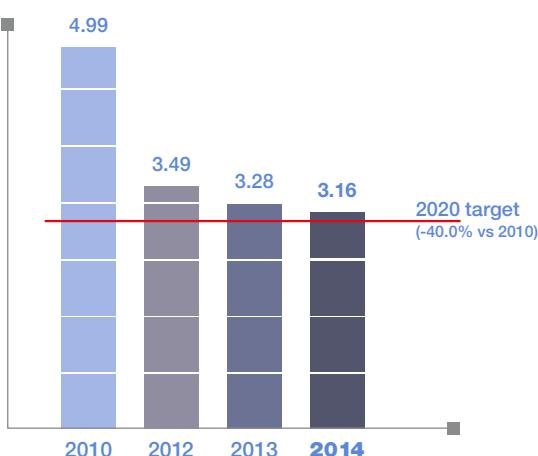
#### Water recycling index

FCA worldwide (millions of m<sup>3</sup>)

	2014	2013	2012
Total water requirement	3,291.2	2,155.6	2,064.7
of which covered by recycling	3,266.5	2,130.6	2,038.9
of which water withdrawal	24.7	24.9	25.9
<b>Recycling index<sup>(16)</sup> (%)</b>	<b>99.3</b>	98.8	98.8

#### Water withdrawal per unit of production

Mass-Market Brand assembly and stamping plants worldwide  
(m<sup>3</sup> per vehicle produced)



In 2014, Mass-Market Brand assembly and stamping plants reduced **water consumption per vehicle produced** by 3.7% compared with the previous year (a 36.7% reduction compared with 2010).



**-36.7%**  
water consumed

<sup>(15)</sup> The information relating to the determination of the water withdrawal and discharge method is provided in the Water Management Guidelines and embodied in the "operating guideline for monitoring environmental KPIs - Water," which applies across the entire FCA.

<sup>(16)</sup> 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.

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The reduction in water consumption without a corresponding action with respect to pollutants would cause an increase in the concentration of the latter and a decrease in the quality of discharge water. For this reason, the Group pairs reducing consumption of water resources with **optimizing wastewater treatment processes** and constant monitoring of the relevant parameters. In 2014, analysis conducted on water discharged from FCA plants worldwide revealed levels of Biochemical Oxygen Demand (BOD) up to 97.6% below regulatory requirements, while levels of Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) were up to 89.7% and 97.2% below required limits, respectively.

The Group regularly measures and analyzes the presence in our industrial processes worldwide of certain heavy metals which are considered most material. In 2014, nickel (Ni), zinc (Zn), lead (Pb), cadmium (Cd) and copper (Cu) were analyzed. These analyses provide a comprehensive view of FCA's overall impact on water quality to maintain levels well below legal limits.

Of 145 total plants active in 2014, 141 (which generate 99.97% of the total amount of wastewater) were serviced by either an internal or external wastewater treatment system. The manufacturing activities of the remaining four plants generate wastewater classifiable as domestic and/or not requiring treatment.

#### **Water resources significantly affected<sup>(17)</sup> by water withdrawal and/or discharge at plants**

FCA worldwide

Company and plant location	Water source (name and size in m <sup>3</sup> /year)	Use	Protected water body	High biodiversity value water body <sup>(18)</sup>	Water withdrawal <sup>(19)</sup>	Water discharges <sup>(19)</sup>
Teksid Carmagnola (Italy)	Gora del Naviglio River 3.5 million	Process water effluent	no	no	no	38%

#### Related contents

[Water consumption reduction in warehouses](#)



[Water consumption reduction in Pernambuco Plant](#)



[Water consumption reduction in Melfi Plant](#)



<sup>(17)</sup> Water sources are regarded as significantly affected by water withdrawals and/or discharges if they are designated protected areas or have high biodiversity value, or if the withdrawals and/or discharges of water represent more than 5% of the average annual volume of the water body concerned. Only surface water has been taken into account. In 2014 none of the water withdrawals at any of the plants significantly affected the resources according to the criteria listed in GRI-G4 EN9 and never exceeded the 5% threshold at any site.

<sup>(18)</sup> There is no known impact on the aquatic habitat, since the receiving water body does not have protected species and is not included on any list of extremely valuable natural habitats.

<sup>(19)</sup> Representing more than 5% of average annual volume of the water body concerned.

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## Waste Management

FCA is also strongly committed to reducing waste generation in its production activities. Accordingly, **reusing and recovering materials** is widely practiced throughout the Group. What cannot be reused is recycled. If neither reuse nor recovery is possible, waste is disposed of using the method having the least environmental impact (waste-to-energy conversion or treatment) with landfills only used as a last resort.

The consolidation of actions to improve this important environmental factor resulted in a 3.6% reduction in total waste generated in 2014 compared with 2013, despite increased production volumes. In the past three years, the total amount of waste generated has decreased by 6.0%. Projects to cut the quantity of waste generated led to overall savings of about €9 million and revenues of about €32 million in 2014.

The Group also monitors the level of waste defined as hazardous which is generated during manufacturing processes, in accordance with the applicable regulations in each jurisdiction. Particular importance is given to reducing the generation of such waste, since by its very nature it is less suitable for recovery. Through appropriate environmental practices, hazardous waste decreased by 3.3% in the last year and by 38.8% compared with 2010 levels.

### Waste generation and management<sup>(20)</sup>

FCA worldwide (tons)

	<b>2014</b>	2013	2012	2011
Plants	145	142	144	150
<b>Waste generated</b>				
Non-hazardous waste	1,706,542	1,770,029	1,720,410	1,804,698
Hazardous waste	37,766	39,069	40,327	50,614
<b>Total waste generated</b>	<b>1,744,308</b>	1,809,098	1,760,737	1,855,312
of which packaging	94,655	121,837	75,332	97,099
<b>Waste disposed</b>				
Treatment	42,888	31,055	31,219	37,489
Sent to landfill	295,358	438,741	438,345	547,056
<b>Total waste disposed</b>	<b>338,246</b>	469,796	469,564	584,545
<b>Waste recovered</b>				
Waste-to-energy conversion	18,361	23,750	19,950	23,336
Waste recovered	1,387,701	1,315,552	1,291,173	1,247,431
<b>Total waste recovered<sup>(21)</sup></b>	<b>1,406,062</b>	1,339,302	1,311,123	1,270,767

<sup>(20)</sup> The information relating to the determination of the waste disposal method is provided in the Waste Management Guidelines and embodied in the "operating guideline for monitoring environmental KPIs - Waste," which applies across the entire FCA.

<sup>(21)</sup> Total waste recovered has been recalculated for 2011-2013 to align with GRI G4 indicator EN23, therefore also the total waste disposed figure changed.

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In Mass-Market Brand assembly and stamping plants, the quantity of **waste generated per vehicle produced** in 2014 decreased by 2.0% compared with the prior year (from 207.5 to 203.4 kg/vehicle produced), and by 6.4% compared with 2010 (from 217.2 to 203.4 kg/vehicle produced). **Hazardous waste per vehicle produced** decreased 23.7% compared with 2013 (from 3.8 to 2.9 kg/vehicle produced) and 64.6% compared with 2010 (from 8.2 to 2.9 kg/vehicle produced).

In 2014, Mass-Market Brand assembly and stamping plants increased the **waste recovery rate** to 97.4% (compared with the FCA average of 80.6%) and reduced the percentage of **waste sent to landfill** to 1.3% (compared with the FCA average of 16.9%).

The average quantity of waste sent to landfills by the Group is essentially linked to a single type of waste: Teksid's inert industrial process sand, which must be sent to landfill at the present time due to technological constraints. However, Teksid has several specific projects in progress aimed at optimizing the management of this type of waste.

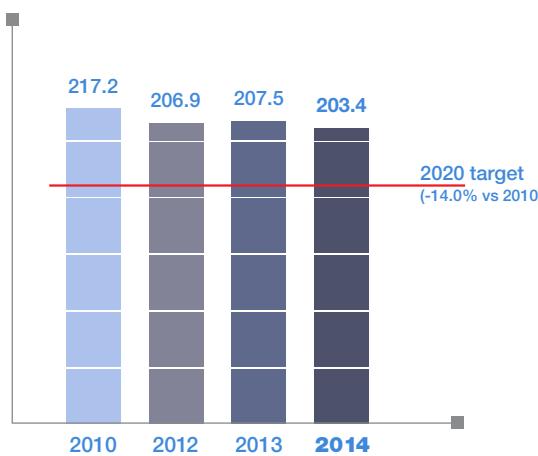


**-64.6%**  
hazardous waste

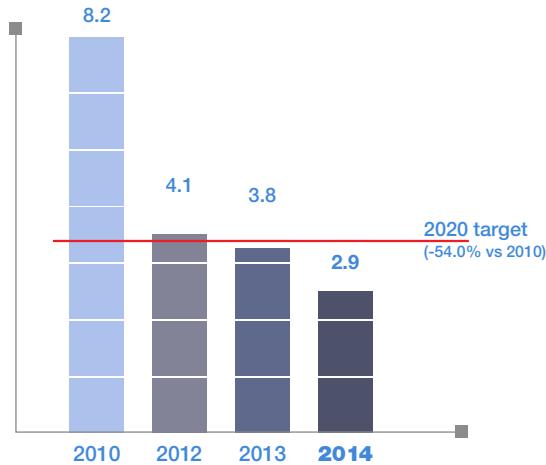


**97.4%**  
waste recovered

**Waste generated per unit of production**  
Mass-Market Brand assembly and stamping worldwide  
(kg per vehicle produced)



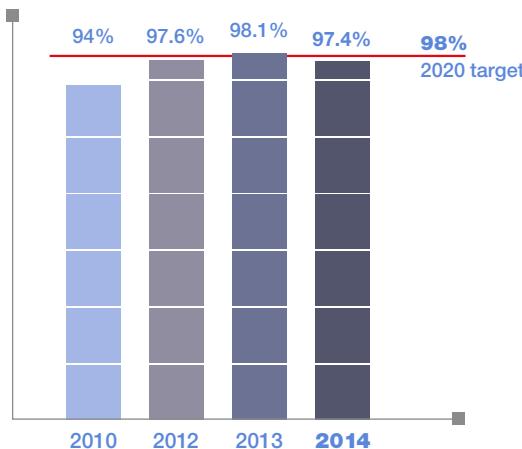
**Hazardous waste generated per unit of production**  
Mass-Market Brand assembly and stamping worldwide  
(kg per vehicle produced)



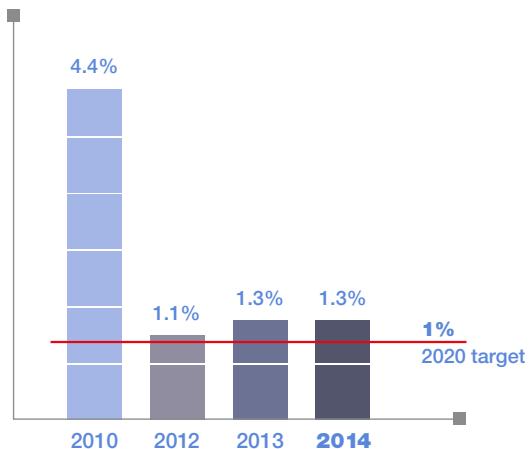
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In alignment with the terms of the Basel Convention, 173.5 tons of hazardous waste were exported from Canada to the United States for recycling (paint shop-related waste)<sup>(22)</sup>, representing 0.01% of all waste generated by FCA.

**Waste recovery rate**  
Mass-Market Brand assembly and stamping worldwide



**Waste sent to landfill**  
Mass-Market Brand assembly and stamping plants worldwide



#### Related contents

- [Waste generation reduction in offices >](#)
- [Waste generation reduction in logistics >](#)
- [Waste generation reduction in warehouses >](#)
- [Waste generation reduction in Pernambuco Plant >](#)
- [Waste generation reduction in Melfi Plant >](#)

<sup>(22)</sup> No other case registered for hazardous waste transported, imported, exported or treated falls under the terms of the Basel Convention.

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## Biodiversity Conservation

FCA understands how important every species, even the smallest, is to the **integrity of the ecosystem**. Biodiversity is an issue of major importance for our planet and the Group is committed to preserving natural diversity and variety by adopting strategies for sustainable development.

In 2010, in association with the Department of Life Sciences and Systems Biology at the University of Turin (Italy), the Group developed an internal Biodiversity Value Index (FCABVI) together with guidelines for application across the Group. The index measures biodiversity and factors that influence biodiversity in areas surrounding our facilities and the resulting data is used to prioritize actions needed to protect and/or restore those areas.

The methodology developed is used to calculate two key indicators. The first provides a measure of the level of biodiversity based on an analysis of indicators specific to aquatic and terrestrial ecosystems. Those indicators take into account species included in protected species lists such as the **International Union for Conservation of Nature (IUCN) Red List** and Directive 2009/147/EC concerning conservation of wild birds. The second measures the level of environmental pressure based on human activity in the area (e.g., agriculture, industry, urban expansion, etc.). Biodiversity is affected by the anthropogenic pressure from local infrastructure and, to a much lesser extent, the activities at Group plants. Application and analysis of the FCABVI is used to determine - in collaboration with local authorities where possible - activities and initiatives to be implemented in affected areas.

The methodology was initially tested at two pilot locations near Turin, Italy (the FCA plant in Verrone and the Magneti Marelli plant in Venaria). Application of the FCABVI was subsequently extended to other plants near, bordering or within protected or high biodiversity areas. In 2014, a study was conducted on the indigenous species of the North Forest Zone in the State of Pernambuco that will serve as a basis for preserving and restoring biodiversity in the Goiana area (where the FCA plant is located) which has suffered from intensive cultivation of sugar cane over the years.

At other Group plants, self-assessments were conducted to identify additional areas where measures to protect biodiversity could be enhanced.

### Related contents

[Biodiversity Conservation in Pernambuco Plant](#) >

[Biodiversity Conservation in Melfi Plant](#) >

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**Plants near, bordering or within protected<sup>(23)</sup> or high biodiversity areas**  
FCA worldwide

Company and plant location	Activity	Surface (mn m <sup>2</sup> )	IUCN Red List species/national conservation list species present	Investment (€)	Action taken	Independent monitoring	Protected area relative to plant
FCA Italy Verrone (Italy)	Production of transmissions and parts	1.8	44 species listed: 0 Critically endangered; 2 Endangered; 2 Vulnerable; 2 Near Threatened; 38 Least Concern	€5,000	Biophilia activities with elementary school students from surrounding towns.	Y	Within plant complex
Magneti Marelli Venaria (Italy)	Production of lighting and exhaust systems	0.2	1 species listed: 1 Near Threatened	–	Area mapped by expert agronomist and action taken to protect aged oak trees in various areas of the park. Oaks represent natural heritage and ideal habitat for <i>Osmodesma eremita</i> .	–	Within plant complex (IT1110079 "La Mandria")
Teksid Funrap (Portugal)	Production of engine blocks, exhaust manifolds, differentials and carter turbines	0.1	n.a.	–	Meeting with local authorities to disclose results of analysis.	–	Adjacent to plant (less than 5 km)
FCA Italy Kragujevac (Serbia)	Assembly and stamping	1.2	73 species listed: 2 Near Threatened; 71 Least Concern	–	Bio Lake Area = 1,230 m <sup>2</sup> , maximum depth = 1.95 m, volume = 1,500 m <sup>3</sup> (Aquatic flora is used to oxygenate water and eliminate microorganisms. No chlorine or chemical disinfectants should be used to treat water). - Koi introduced to help balance ecosystem (e.g., control certain algae). - About 30 indigenous trees planted.	Y	Adjacent to plant (within 5 km)

### Biodiversity at Verrone

GRI-G4 EN11, EN12, EN13



For several years, FCA has collaborated with the Department of Life Sciences and Systems Biology at the University of Turin on the preservation of the ecosystem at its plant in Verrone, Italy. In 2014, that collaboration led to a series of studies of the vocal repertoire of various species of songbirds found in the local area. The primary objectives of this project were to increase awareness of biodiversity in the area and promote a culture of sustainability.

An archive of recordings of local birds was compiled and made available to the public via the xeno-canto [website](#). These recordings were also used to test various machine-learning audio recognition algorithms, in collaboration with Queen Mary University in the U.K.

During the same period, with the financial support of FCA, bioacoustic research was conducted on various other endangered species, including the **African penguin** (*Spheniscus demersus*). The penguin's vocal repertoire was used, for the first time, to study its behavioral patterns. This technology is particularly important as it enables endangered species to be studied from a distance without being disturbed by direct human contact.

FCA's contribution made it possible to publish this **scientific research** and gain broad international exposure for the project.

<sup>(23)</sup> A protected area (site of regional, national and 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.

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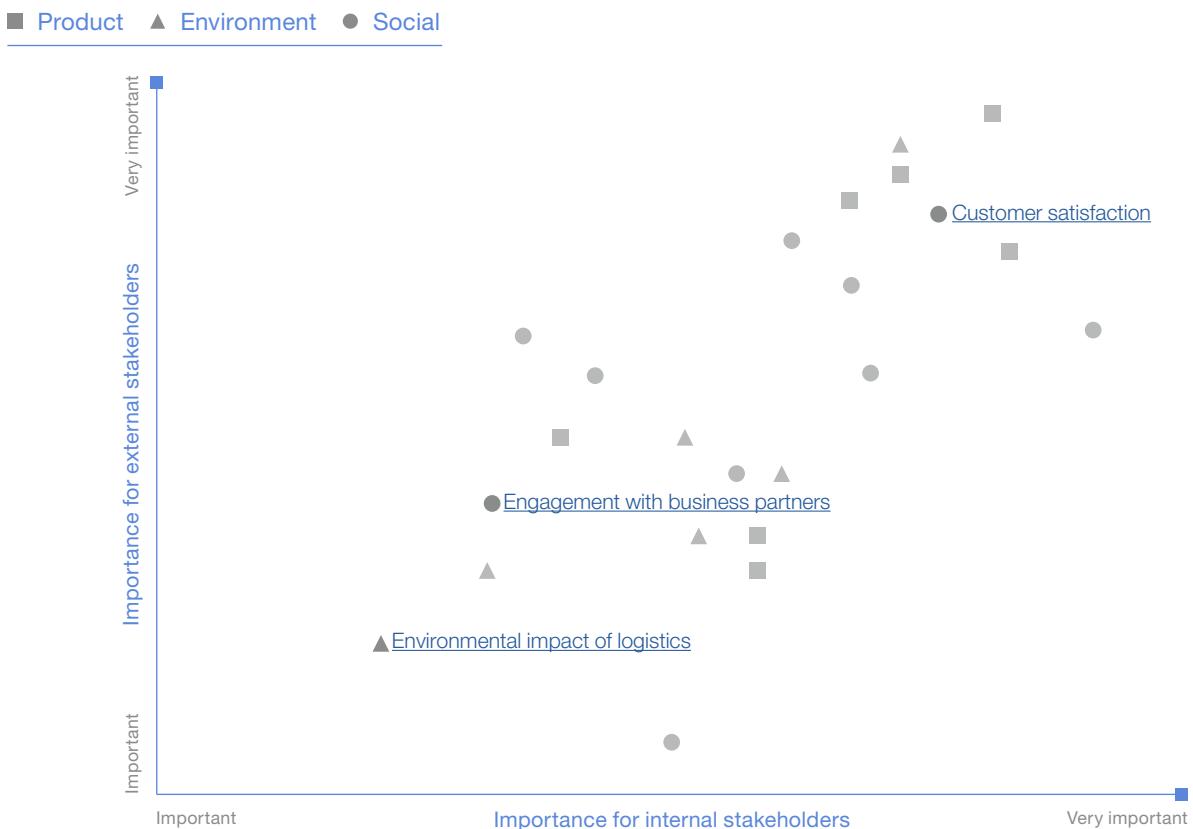
# Logistics

- Transport Flow and Approach
  - Environmental Performance

▲ Sustainability Plan

## Materiality Diagram

In this section, material topics identified by internal and external stakeholders as significantly important in relation to Logistics will be reported.



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## Transport Flow and Approach

The FCA Logistics departments worldwide act as a bridge between manufacturing, suppliers and dealers through material and vehicle movement. Processes are continuously being improved through the re-engineering of material flows and the application of just-in-time methodology, by reducing stock and material handling and delivering only what is needed, where it is needed, at the right time. In addition, World Class Logistics (WCL) is used to define logistics processes at plants and in the supplier network, and help meet the requirements of **safety**, **ergonomics**, **eco-compatibility** and **transport flow optimization**.

In the area of aftermarket sales and support, the Mopar Service and Parts organizations have embraced the concepts of World Class Logistics and have begun implementing actions similar to those at our manufacturing facilities in order to achieve a best-in-class supply chain. A Central Lead has been established within the organizations and Central Teams are in place to drive the WCL methodology and support the Mopar network.

### Logistics Flows

GRI-G4 DMA



The movement of vehicles, materials and parts are handled by a variety of internal or external operators, depending on the origin and destination of the goods.

Components and material delivery to Group plants (upstream transport) and spare parts transport to warehouses and distribution centers managed by Mopar<sup>(1)</sup> are generally handled either by external transport providers engaged by the Company or managed directly by the material suppliers themselves. Upstream truck flows to selected Group plants located in the U.S. and Canada are managed by FCA Transport LLC, the Company-owned fleet in North America.

Shipment of spare parts to dealers is handled by external logistics operators that are not managed by FCA.

Finished vehicle distribution from plants to dealers (downstream transport) is handled by the Group-owned fleet (i-FAST Automotive Logistics S.r.l. in Europe) or by external transport providers contracted by the Company.

### Green Logistics Principles

GRI-G4 DMA



To maximize efficiency and minimize the environmental impact of our logistics operations, FCA adopted *Green Logistics Principles* which are based on the Group's Environmental Guidelines. These principles focus on four main objectives:

- increase low-emission transport
- use intermodal solutions
- optimize transport capacity
- reduce packaging and protective materials.

<sup>(1)</sup> The Group's service, parts and customer care organization.

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## Environmental Performance

Several key indicators have been identified and adopted to regularly monitor environmental performance and conduct in-depth analysis of distribution flow impacts. The results from this monitoring are used to develop initiatives to **decrease transport emissions and optimize methods, capacity and routes**.

CO<sub>2</sub> emissions recorded in 2014 related to Group logistics processes managed directly by Mass-Market Brand logistics in the NAFTA region equaled approximately 1.1 million tons: 52% from upstream and 48% from downstream transport for vehicle distribution. This represents an increase of about 25% compared with the previous year. The 2014 increase in production levels, the volume mix and severe weather conditions in the NAFTA region led to significant challenges in freight and vehicle movement. In some cases, production schedules and availability of materials necessitated less than fully-cubed loads, resulting in more kilometers per vehicle shipped being traveled by the upstream transport fleet. In addition, several routes were sourced to suppliers at farther distances, which consequently increased the related carbon emissions. There was also an increase in the number of routes with longer distances for downstream transportation compared with the prior year.

Aggressive measures were essential to keep the resulting carbon emissions to a minimum. Overall, carbon emissions per kilometer traveled for upstream freight increased by 1.3% and downstream carbon emissions per kilometer traveled increased by 4.4% with an overall increase of 21% in transport kilometers.

In the EMEA region, 2014 CO<sub>2</sub> emissions increased by 1.9% compared with 2013, while the average CO<sub>2</sub> emissions per vehicle decreased by 9%. This overall increase in emissions is due to a change in scope, which was expanded to add downstream flows of four additional overseas markets (U.S., Japan, Russia and Canada) and the upstream flow of one additional plant (Maserati plant in Grugliasco - Italy). The increased scope led to a significant increase in the average kilometers traveled per vehicle, particularly by ocean, a mode of transport that generates less emissions. In comparison to the same scope that applied in 2013, 2014 CO<sub>2</sub> emission levels would have been 4% lower than the previous year. The CO<sub>2</sub> emissions monitoring has also been extended to include Magneti Marelli logistics operations in EMEA, both upstream and downstream flows, including deliveries to external customers.

**CO<sub>2</sub> emissions in logistics processes**  
FCA EMEA (thousands of tons of CO<sub>2</sub>)

	2014 <sup>(2)</sup>	2013	2012
Upstream	72.1	65.7	74.6
Downstream	93.3	96.1	104.7
Spare parts	7.7	8.0	8.4
Total Mass-Market Brands <sup>(3)</sup>	173.1	169.8	187.6
Magneti Marelli <sup>(4)</sup>	24.3	24.6	22.9

<sup>(2)</sup> 2014 figures are not directly comparable with prior years as the scope has been expanded to include additional markets and plant.

<sup>(3)</sup> The calculation of CO<sub>2</sub> emissions was based on the criteria illustrated in The Greenhouse Gas Protocol - revised edition for road transport, and the IFEU Heidelberg environmental method for sea and rail transport. The figure relates to 100% of downstream transport and 71% of the volume of upstream transport in Europe. The figure for emissions from the transportation of spare parts relates to one-third of upstream traffic by weight; downstream transport for spare parts is not monitored as it is not currently managed directly by the Group.

<sup>(4)</sup> Data refers both to inbound and outbound transports managed directly by Magneti Marelli. Outbound delivery encompasses both components for Group plants or to third parties. Year-over-year performance is not directly comparable as data collection has expanded to include additional plants and facilities, from 23 plants in 2012, to 32 in 2013 and 37 in 2014.

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## Increase in Low-Emission Transport

In every region, FCA strives to use the most environmental and cost-efficient fleet possible, both with respect to the Company-owned fleet and those of our external providers.

FCA Transport is the Group-owned trucking fleet composed of 325 tractors and almost 1,300 trailers. When inbound truck-load material is destined for assembly plants located in Michigan and Ohio (U.S.), and Ontario (Canada), those parts are delivered by FCA Transport. Examples of the types of commodities which are delivered include stampings, transmissions, engines, exhaust systems, and heating, ventilation and air conditioning units. In 2014, FCA Transport conducted a pilot program to explore the benefits of converting its **fleet from diesel to natural gas**. Five compressed natural gas (CNG) tractors were put in service on various long-haul and short-haul deliveries. Fuel efficiency, safety, engine performance, emissions and driver acceptance were evaluated. Based on the success of this pilot, in 2015 FCA Transport will purchase 179 tractors with CNG capabilities and build a CNG fueling station at its Detroit Terminal location. This initiative is expected to **reduce CO<sub>2</sub> emissions by 27.5%**.

With respect to downstream transport in Europe, FCA's internal fleet of trucks carries about 31% of the total finished vehicle distribution by road. Of this fleet, 88% is already **Euro V- or Euro VI-compliant** following the Group's purchase of 24 new Euro VI trucks in 2014. Continued investment in more efficient trucks is expected for 2015.

In the NAFTA region, FCA is a partner with the U.S., Canadian and Mexican government agencies through SmartWay, Fleet Smart and Transporte Limpio respectively. All U.S. inbound carriers are SmartWay certified. The **SmartWay partnership** is a collaboration between the U.S. Environmental Protection Agency and the freight industry designed to help companies reduce the carbon footprint of their transport operations. In addition, FCA US launched a questionnaire in 2014 for all new carriers which includes information on alternative fuel equipment in their fleet.

Regarding Group-managed upstream transport in Europe, access to plants is already prohibited for vehicles with emission levels that do not meet the Euro III standard.

**Contractual clauses** continued to be progressively introduced in 2014, requiring that at least 50% of supplier fleets consist of vehicles compliant with Euro V or stricter standards. We are also continuing to monitor emission standards on the vehicles used by a large part of material and component suppliers not managed directly by the Group. This makes it possible to extend the same standards required for Group-managed transportation to those fleets as well.

### Related contents

[FCA's compressed natural gas vehicles](#)



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## Minimize Impacts in Mopar Warehouses

The Group's commitment to reducing the impact of its logistics processes extends to all areas of its operations. One example of this approach is the WCL-based program at Volvera and None (Italy), where approximately 650 people work at Mopar's parts and accessories warehouses which cover 200,000 m<sup>2</sup>. The focus of this program is to significantly **reduce the environmental footprint of logistics activities at the warehouses**, while at the same time exhibiting a productive and efficient high-volume flow of goods and materials. In 2014, more than 27,000 tons of parts and accessories were shipped from those warehouses to customers around the world, requiring the use of 9.3 GWh in electricity, 4 million m<sup>3</sup> in natural gas and 108,000 m<sup>3</sup> in water, and generating approximately 7,600 tons in CO<sub>2</sub> emissions and 1,800 tons in waste.

### Results achieved in 2014 (vs 2011)



**-47%**  
in potable water  
consumption

Achieved through **improved water management**, modernization of the water pipe network and use of restored on-site wells

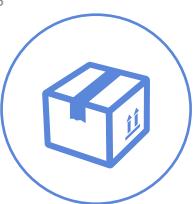


**-18%**  
in electricity  
consumption

Achieved through installation of **high-efficiency LED** lighting fixtures and smart sensors that optimize power usage



**-39%**  
in CO<sub>2</sub> emissions  
Achieved through **reductions in total energy consumption** and use of **clean energy** (renewable and natural gas)



**-5%**  
in packaging  
per ton shipped

Achieved through introduction of **reusable containers** for inbound/outbound shipments to other Group sites



**99%**  
of waste recycled

Related KPIs are monitored on a monthly basis and the results are communicated to employees to increase their level of involvement in the initiatives and their awareness of sustainability in general.

### Related contents

Environmental impact reduction in plants >

Environmental impact reduction in offices >

Environmental impact reduction in dealerships >

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## Use of Intermodal Solutions

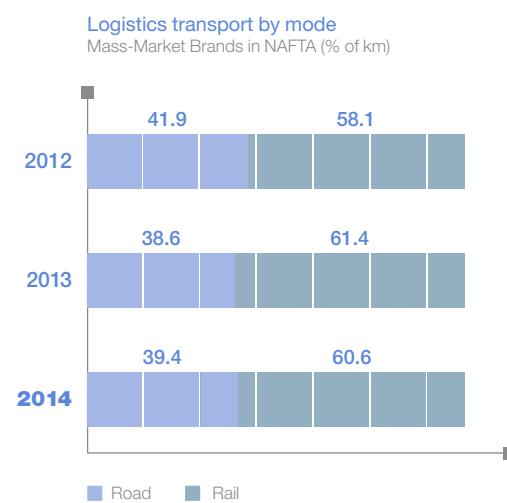
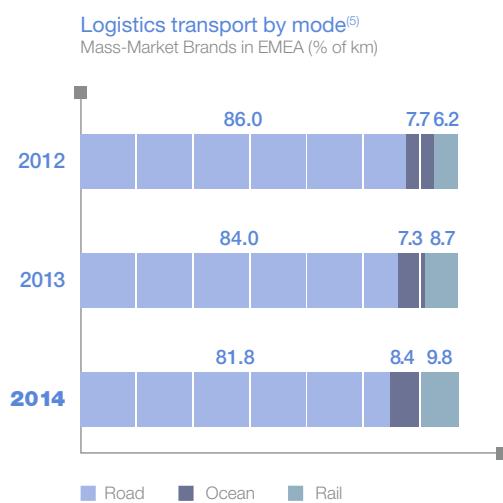
In order to reduce traffic congestion and CO<sub>2</sub> emissions, the Group explores alternative solutions to road transport through a variety of options such as rail and ocean. Depending on geography, infrastructure and production volumes, upstream and downstream material transport may require a significant percentage of road transport. Efforts were made in 2014 to continue the extension of **intermodal solutions** which had already been introduced. In addition, the Group continued to evaluate potential new rail routes for both material transport and vehicle distribution.

The *Stante* and *Sevel - Pontecagnano* projects implemented in EMEA are two examples of intermodal solutions where **rail transportation** is used instead of road. These initiatives lead to important savings from both the economic and environmental perspective, with approximately 3,500 tons of CO<sub>2</sub> emissions avoided in 2014.

As a result of these projects and others, in 2014 FCA upstream rail transport kilometers traveled in the EMEA region increased by 17% compared with 2013.

Regarding downstream logistics, sea transport kilometers traveled increased by 29% compared with 2013, while road transport decreased by 21%.

In the NAFTA region, **rail loading** for finished vehicles was optimized at several plants in 2014, avoiding 1,981 tons of CO<sub>2</sub> emissions. In addition, at the Brampton Assembly Plant (Canada), FCA implemented structural improvements by building a new rail ramp. This initiative is expected to decrease truck kilometers and traffic congestion around the plant, and reduce the related CO<sub>2</sub> emissions by facilitating the transport of finished vehicles by rail.



<sup>(5)</sup> Data includes upstream (also to Maserati Grugliasco plant) and downstream transport.

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## Optimization of Transport Capacity

Maximum utilization of transport capacity is another method used by the Group to reduce the environmental impact of logistics operations while simultaneously containing shipping costs.

In the NAFTA region, FCA optimizes the management of **returnable containers** through a Regional Container Pool Center for inbound freight. This process routes containers efficiently where needed, resulting in a reduction in transportation costs, system days for containers, handling costs, and possible double handling. In 2014, the *Regional Container Pooling Initiative* avoided 1,366 tons of CO<sub>2</sub> emissions.

In 2014, Mopar completed the purchase and implementation of a new rack fleet. These racks consolidate single piece orders of large collision parts to **improve cube saturation** within the trailer. This implementation increased our cube saturation on selected routes by more than 2% and eliminated the use of approximately 350 trailers.

FCA continued efforts to reduce CO<sub>2</sub> emissions by engaging other automakers and non-automotive companies to combine downstream freight and share the transportation costs among all parties. Additional focus was placed on opportunities within the Mopar network utilizing both upstream and downstream lanes to reduce capacity and save kilometers. In 2014, these efforts allowed Mopar to supply 25% of the dealers on shared service routes.

In the EMEA region, during 2014 the logistics department launched the *Frequency* project. With a close collaboration among plants, logistics service providers and suppliers, **delivery frequencies** have been revised where possible, to optimize the transport capacity and obtain a significant reduction in cost and CO<sub>2</sub> emissions. As a result, 247 tons of CO<sub>2</sub> emissions were avoided.

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## Reduced Use of Packaging and Protective Materials

FCA also strives to minimize packaging and protective materials and increase the use of reusable containers, while maintaining standards and meeting quality requirements. Where reusable containers are not possible, the Group ensures that standard recovery processes are applied.

In EMEA, during 2014 monitoring was extended to new plants: Maserati Grugliasco (Italy) and FAS (Serbia).

Under the 2013 EMEA monitoring scope, the goal of 5.9 kg of cardboard per vehicle was achieved.

This performance does not include the start-up of new models, the Jeep Renegade and 500x in Melfi (Italy), and the new Ducato in SEVEL (Italy). High volume of cardboard per vehicle is required at the beginning of the production process before production volumes stabilize.

We continued to optimize the packaging process for international shipments of materials from Italy. In 2014, we introduced **returnable wooden crates** for shipments to Brazil plants (Betim and Sete Lagoas) in place of disposable wooden boxes, achieving a 65% reduction in the use of wood. In 2014, we also started a project to minimize the consumption of **protective materials** through the use of more efficient products. As result, we reduced plastic and polythene film material utilization by approximately 31% and 25% respectively.

In 2014, the amount of **cardboard** arriving at assembly plants in the NAFTA region was reduced to 6.89 kg per vehicle as a result of a large investment in standard containers. As production volumes increase year over year, the additional racks allow for greater flexibility in scheduling and reduce cardboard quantity.

Also in NAFTA, a team worked on initiatives to reduce disposable wood packaging, reduce costs and improve employee safety. The cross-functional team evaluated several international routes where disposable wood was replaced with returnable crates. From July through December 2014, the overall reduction on international routes was 201 tons of wood.

During 2014, EMEA Mopar enhanced the use of **returnable containers** in inbound and outbound flows inter-depot. This action allowed a reduction in the consumption of auxiliary material (cardboard and wood) used for packing and shipping. About 1,000 tons of materials were saved compared with 2013, leading to a financial savings of €150,000.

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## Appendix

- Definitions, Methodology and Scope
- Details by Operating Segments
- Details by Operations
- Details by Workforce
- Index of GRI-G4 Content
- Statement of Assurance

*This content was subject to assurance by SGS Nederlands B.V. (27 March 2015)*

## Definitions, Methodology and Scope

The FCA N.V. Sustainability Report, now in its 11<sup>th</sup> edition, is a voluntary document issued by the Group according to GRI-G4 guidelines<sup>(1)</sup> to provide stakeholders a comprehensive picture of FCA activities, results and commitments in the economic, environmental and social spheres.

This appendix provides a methodology guide and additional economic, environmental and social indicators.

Unless otherwise specified or required by the context in which they are used:

- the terms "FCA" and "Group" refer to all companies consolidated within Fiat Chrysler Automobiles N.V. for accounting purposes (see subsidiaries consolidated in the FCA N.V. Annual Report)
- the term "Company" refers to the entire Group
- the term "company" is used with reference to a selection among the following entities: FCA Italy (formerly known as Fiat Group Automobiles or FGA), FCA US (formerly known as Chrysler Group or CG), Ferrari, Maserati, Comau, Magneti Marelli, Teksid, Fiat Services and other companies
- the term "FCA US" refers to all companies consolidated within FCA US LLC (formerly known as "Chrysler Group") for accounting purposes (see subsidiaries consolidated in the FCA N.V. Annual Report)
- the term "FCA Italy" (formerly known as "Fiat Group Automobiles") refers to all companies consolidated within FCA Italy S.p.A. for accounting purposes (see subsidiaries consolidated in the FCA N.V. Annual Report)
- the term "operating segment" refers to the segments according to which the Group business is organized.

They include: Mass-Market Brands (previously reported as Mass-Market and Premium Brands or FGA, FGA Engines and Transmission and Chrysler Group); Luxury Brands (Ferrari and Maserati); Components (Magneti Marelli, Teksid, Comau); Others (firms operating in publishing, communications and services, and other companies)

- the term "operating region" refers to the distinct areas in which the operations of Mass-Market Brands are carried out, with the boundaries set according to the organizational changes effective September 1, 2011. The operating regions are: EMEA (Europe, Russia, Middle East and Africa), NAFTA (U.S., Canada and Mexico), LATAM (South and Central America) and APAC (Asia and Pacific countries).

Unless otherwise indicated or required by the context, the information and data contained in this Sustainability Report relates to financial year 2014 (1 January 2014 to 31 December 2014) and to all FCA companies worldwide falling within the scope of consolidation at 31 December 2014.

In order to ensure that information is comparable and meaningful over time, some data was presented on a pro forma basis. In particular:

- with respect to year 2014, data refers to all companies consolidated within FCA N.V. for accounting purposes, for the full year (see subsidiaries consolidated in the Annual Report)
- with respect to year 2012 and 2013, data refers to all companies consolidated within FCA N.V. (formerly Fiat S.p.A.) for accounting purposes, for the full year (see subsidiaries consolidated in the Annual Report)
- with respect to year 2011, although FCA US (formerly Chrysler Group) was consolidated in FCA (formerly Fiat S.p.A.) for accounting purposes as of June 2011, data includes FCA US information for the full year
- with respect to year 2010, data was restated to include FCA US (formerly Chrysler Group) and to exclude companies demerged into CNH Industrial N.V. (formerly Fiat Industrial S.p.A.).

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.

<sup>(1)</sup> The Global Reporting Initiative (GRI) is a multi-stakeholder process for the development and disclosure of Sustainability Reporting Guidelines. The GRI-G4 guidelines were issued in May 2013. These guidelines offer an international reference for the disclosure of governance approach and of the environmental, social and economic performances and impacts of the organizations.

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In some cases, entities that are not consolidated in the financial statements were included in the scope of reporting because of their significant environmental and social impacts. In particular:

- data on occupational health and safety reported in the “Occupational Health and Safety” section relates to 143 of the 165 plants<sup>(2)</sup> included in the FCA N.V. Annual Report (covering approx. 97% of plant workers),<sup>(3)</sup> to office facilities (in total covering approx. 100% of overall Group employees), and to four plants of companies that are not fully consolidated, including one joint venture in Turkey and three in the APAC region (two in China and one in India)
- the Group’s environmental and energy performance reported in the “Plants” section refers to 141 of the 165 plants<sup>(4)</sup> included in the FCA N.V. Annual Report (covering over 99% of the Group’s industrial revenues),<sup>(5)</sup> and to four plants of companies that are not fully consolidated, including one joint venture in Turkey and three in the APAC region (two in China and one in India)
- performance indicators per unit of production reported in the “Plants” section have been restated to make data comparable year over year.

Data was collected and reported with the aid of existing management control and information systems, where available, in order to ensure reliability of information flows and the correct monitoring of sustainability performance. A dedicated reporting process was established for certain indicators, using electronic databases or files populated directly by the individuals or entities responsible for each aspect worldwide.

All data presented in the Report refer to the International System of Units and may be subject to rounding, except for vehicle efficiency in the U.S. market that is measured by fuel economy expressed in miles per gallon (mpg).

## Quality of Information

The quality of the information contained in the Sustainability Report is supported by compliance with the following principles:

- materiality: inclusion of all information deemed to be of interest to internal and external stakeholders due to its economic, environmental or social impact
- completeness: inclusion of all material topics and indicators
- balance: coverage of both positive and negative aspects of the Group’s performance
- comparability: ability to compare between time periods and with similar organizations
- accuracy: provision of adequate levels of detail
- reliability: reporting process subject to audit by an independent organization
- timeliness: Sustainability Report presented together with the FCA N.V. Annual Report at the Annual General Meeting of FCA N.V.
- clarity: the language used addresses all stakeholders.

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 makes every effort to ensure the accuracy of the sustainability information contained in this Report. From time to time, however, figures may be updated. The document is:

- prepared by the FCA Sustainability Team that coordinates and engages Group operating segments and regions and relevant functions
- approved by the Group Executive Council, the highest decision making body headed by the CEO of FCA N.V., consisting of Chief Operating Officers of regions and companies of the Group and various function heads and by subject matter experts
- examined by the Governance and Sustainability Committee, a subcommittee of the Board of Directors of FCA N.V.
- subject to an assurance audit by SGS Nederland B.V.,<sup>(6)</sup> an independent certification body, in compliance with the Sustainability Reporting Assurance procedure (SRA), with the GRI-G4 Guidelines, and with the AA1000 APS (2008) standard. SGS is officially authorized to conduct AA1000 assurance audits. In addition the Group’s sustainability management system is aligned with the ISO 26000 Guidance on Social Responsibility standard, published in November 2010. The statement of assurance describing the activities carried out and the expression of opinion is provided at this [link](#).

<sup>(2)</sup> Data was not considered material, and was thus not reported, for two plants dedicated to publishing and communication activities and 20 plants in start-up or closing phase.

<sup>(3)</sup> Plant workers are defined as all employees located at a particular site, including workers assigned to manufacturing and other associated units (quality control, logistics, etc.), and to research and development.

<sup>(4)</sup> Data was not considered material, and was thus not reported, for two plants dedicated to publishing and communication activities and 22 plants in start-up or closing phase.

<sup>(5)</sup> Revenues attributable to activity of plants directly controlled by the Group.

<sup>(6)</sup> The Chief Executive Officer of FCA N.V. Sergio Marchionne is the Chairman of the Board of Directors of SGS S.A. His position does not include any executive responsibilities or powers and therefore this circumstance does not influence SGS’ independence.

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- presented together with the Annual Report at the Annual General Meeting of FCA N.V. to provide a complete, current overview of the Group's financial, environmental and social performance
- available for download at no cost from the Sustainability section of the Group's public website ([www.fcagroup.com](http://www.fcagroup.com)).

The 2013 Sustainability Report was made available at Fiat S.p.A.'s Annual General Meeting on 31 March 2014.

## Details by Operating Segments

### Mass-Market Brands

#### EMEA (€ million)

	<b>2014</b>	2013	2012
Net Revenues <sup>(1)</sup>	<b>18,020</b>	17,335	17,717
EBIT <sup>(1)</sup>	(109)	(506)	(725)
Shipments (000s)	<b>1,024</b>	979	1,012

#### LATAM (€ million)

	<b>2014</b>	2013	2012
Net Revenues	<b>8,629</b>	9,973	11,062
EBIT	<b>177</b>	492	1,025
Shipments (000s)	<b>827</b>	950	979

### Luxury Brands

#### Ferrari (€ million)

	<b>2014</b>	2013	2012
Net Revenues	<b>2,762</b>	2,335	2,225
EBIT	<b>389</b>	364	335
Employees at year-end (no.)	<b>2,858</b>	2,787	2,719

### Components

#### Magneti Marelli (€ million)

	<b>2014</b>	2013	2012
Net Revenues	<b>6,500</b>	5,988	5,828
EBIT	<b>204</b>	169	131
Employees at year-end (no.)	<b>38,156</b>	38,157	36,911

#### Teksid (€ million)

	<b>2014</b>	2013	2012
Net Revenues	<b>639</b>	688	780
EBIT	(4)	(70)	4
Employees at year-end (no.)	<b>6,537</b>	7,444	7,214

#### NAFTA (€ million)

	<b>2014</b>	2013	2012
Net Revenues	<b>52,452</b>	45,777	43,521
EBIT	<b>1,647</b>	2,290	2,491
Shipments (000s)	<b>2,493</b>	2,238	2,115

#### APAC (€ million)

	<b>2014</b>	2013	2012
Net Revenues <sup>(1)</sup>	<b>6,259</b>	4,668	3,173
EBIT <sup>(1)</sup>	<b>537</b>	335	274
Shipments (000s)	<b>220</b>	163	103

#### Maserati (€ million)

	<b>2014</b>	2013	2012
Net Revenues	<b>2,767</b>	1,659	755
EBIT	<b>275</b>	106	57
Employees at year-end (no.)	<b>1,267</b>	890	770

#### Comau (€ million)

	<b>2014</b>	2013	2012
Net Revenues	<b>1,550</b>	1,463	1,482
EBIT	<b>60</b>	47	30
Employees at year-end (no.)	<b>13,120</b>	13,481	13,277

<sup>(1)</sup> The figures previously reported for 2012 and 2013 have been restated to reflect application of the amendment to IFRS 11 (International Financial Reporting Standard).

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## Details by Operations

### Energy

#### Direct energy consumption by source

FCA worldwide (GJ)

2014	FCA	Mass-Market Brands				Luxury Brands		Components		
		Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
Plants	145	35	20	2	7	2	2	58	5	14
<b>Non-renewable sources</b>										
Natural gas	21,259,513	15,739,635	1,696,702	746,509	379,968	348,918	421,382	747,228	1,038,679	140,491
Coal	952,258	-	-	-	-	-	-	-	952,258	-
Diesel	73,237	4,729	-	-	-	139	-	4,807	62,119	1,443
LPG	107,525	69,368	457	-	-	-	-	34,860	-	2,840
Other (HS and LS fuel oil)	132	-	-	-	-	-	-	132	-	-
<b>Total non-renewable sources</b>	<b>22,392,665</b>	<b>15,813,732</b>	<b>1,697,159</b>	<b>746,509</b>	<b>379,968</b>	<b>349,057</b>	<b>421,382</b>	<b>787,028</b>	<b>2,053,056</b>	<b>144,774</b>
<b>Renewable sources</b>										
Biomass	-	-	-	-	-	-	-	-	-	-
Photovoltaic	2,070	-	1,221	-	-	-	849	-	-	-
Solar-thermal	-	-	-	-	-	-	-	-	-	-
<b>Total renewable sources</b>	<b>2,070</b>	<b>-</b>	<b>1,221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>849</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total direct energy consumption</b>	<b>22,394,735</b>	<b>15,813,732</b>	<b>1,698,380</b>	<b>746,509</b>	<b>379,968</b>	<b>349,057</b>	<b>422,231</b>	<b>787,028</b>	<b>2,053,056</b>	<b>144,774</b>
<b>2013</b>										
Plants	142	33	18	2	4	2	2	61	6	14
<b>Non-renewable sources</b>										
Natural gas	20,956,720	15,546,304	1,708,396	736,521	443,501	280,846	350,297	792,492	950,348	148,015
Coal	1,109,418	-	-	-	-	-	-	-	1,109,418	-
Diesel	79,234	6,854	-	-	-	280	-	4,692	66,223	1,185
LPG	44,942	126	-	-	-	-	-	43,261	-	1,554
Other (HS and LS fuel oil)	117	-	-	-	-	-	-	117	-	-
<b>Total non-renewable sources</b>	<b>22,190,431</b>	<b>15,553,284</b>	<b>1,708,396</b>	<b>736,521</b>	<b>443,501</b>	<b>281,126</b>	<b>350,297</b>	<b>840,562</b>	<b>2,125,988</b>	<b>150,755</b>
<b>Renewable sources</b>										
Biomass	-	-	-	-	-	-	-	-	-	-
Photovoltaic	1,564	-	776	-	-	-	788	-	-	-
Solar-thermal	-	-	-	-	-	-	-	-	-	-
<b>Total renewable sources</b>	<b>1,564</b>	<b>-</b>	<b>776</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>788</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total direct energy consumption</b>	<b>22,191,995</b>	<b>15,553,284</b>	<b>1,709,172</b>	<b>736,521</b>	<b>443,501</b>	<b>281,126</b>	<b>351,085</b>	<b>840,562</b>	<b>2,125,988</b>	<b>150,755</b>
<b>2012</b>										
Plants	144	30	21	2	4	1	2	64	6	14
<b>Non-renewable sources</b>										
Natural gas	18,277,833	13,373,813	1,651,551	627,024	407,370	20,278	305,303	766,481	1,031,840	94,173
Coal	1,183,307	-	-	-	-	-	-	-	1,183,307	-
Diesel	82,685	8,987	-	-	-	-	-	7,514	64,986	1,198
LPG	48,398	170	-	-	-	-	-	48,228	-	-
Other (HS and LS fuel oil)	7,716	-	7,294	-	-	-	-	422	-	-
<b>Total non-renewable sources</b>	<b>19,599,939</b>	<b>13,382,970</b>	<b>1,658,845</b>	<b>627,024</b>	<b>407,370</b>	<b>20,278</b>	<b>305,303</b>	<b>822,645</b>	<b>2,280,133</b>	<b>95,371</b>
<b>Renewable sources</b>										
Biomass	1	1	-	-	-	-	-	-	-	-
Photovoltaic	1,799	15	996	-	-	-	788	-	-	-
Solar-thermal	72	72	-	-	-	-	-	-	-	-
<b>Total renewable sources</b>	<b>1,872</b>	<b>88</b>	<b>996</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>788</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total direct energy consumption</b>	<b>19,601,811</b>	<b>13,383,058</b>	<b>1,659,841</b>	<b>627,024</b>	<b>407,370</b>	<b>20,278</b>	<b>306,091</b>	<b>822,645</b>	<b>2,280,133</b>	<b>95,371</b>
<b>2011</b>										
Plants	150	31	22	2	4	1	2	69	6	13
<b>Non-renewable sources</b>										
Natural gas	19,253,359	14,139,905	1,781,796	630,813	303,890	21,957	309,293	851,221	1,126,947	87,537
Coal	1,410,386	-	-	-	-	-	-	-	1,410,386	-
Diesel	100,187	16,239	-	-	-	-	-	5,800	77,228	920
LPG	58,832	58	-	-	-	-	-	57,338	-	1,436
Other (HS and LS fuel oil)	47,876	49	46,510	-	-	-	-	1,317	-	-
<b>Total non-renewable sources</b>	<b>20,870,640</b>	<b>14,156,251</b>	<b>1,828,306</b>	<b>630,813</b>	<b>303,890</b>	<b>21,957</b>	<b>309,293</b>	<b>915,676</b>	<b>2,614,561</b>	<b>89,893</b>
<b>Renewable sources</b>										
Biomass	-	-	-	-	-	-	-	-	-	-
Photovoltaic	2,398	15	1,442	-	-	-	941	-	-	-
Solar-thermal	72	72	-	-	-	-	-	-	-	-
<b>Total renewable sources</b>	<b>2,470</b>	<b>87</b>	<b>1,442</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>941</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total direct energy consumption</b>	<b>20,873,110</b>	<b>14,156,338</b>	<b>1,829,748</b>	<b>630,813</b>	<b>303,890</b>	<b>21,957</b>	<b>310,234</b>	<b>915,676</b>	<b>2,614,561</b>	<b>89,893</b>

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### Indirect energy consumption by source

FCA worldwide (GJ)

	<b>FCA</b>	Mass-Market Brands				Luxury Brands		Components		
		Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
<b>2014</b>										
Plants	145	35	20	2	7	2	2	58	5	14
<b>Electricity</b>										
Non-renewable sources	17,204,725	8,224,424	4,306,059	580,048	391,390	58,333	390,229	2,179,235	965,943,15	109,064
Renewable sources	4,409,051	1,748,094	818,601	-	117,055	43,665	61,290	676,174	930,476,68	13,695
<b>Total electricity</b>	<b>21,613,777</b>	<b>9,972,518</b>	<b>5,124,660</b>	<b>580,048</b>	<b>508,445</b>	<b>101,998</b>	<b>451,519</b>	<b>2,855,409</b>	<b>1,896,420</b>	<b>122,759</b>
<b>Thermal energy</b>										
Non-renewable sources	3,830,196	3,166,909	302,769	-	12,636	49,368	-	104,341	194,172,93	-
Renewable sources	4,690	-	873	-	-	-	-	3,813	-	4
<b>Total thermal energy</b>	<b>3,834,886</b>	<b>3,166,909</b>	<b>303,642</b>	-	<b>12,636</b>	<b>49,368</b>	-	<b>108,154</b>	<b>194,173</b>	<b>4</b>
<b>Other energy sources</b>										
Non-renewable sources	801,462	604,030	143,115	-	35,653	396	-	18,269	-	-
Renewable sources	-	-	-	-	-	-	-	-	-	-
<b>Total other energy sources</b>	<b>801,462</b>	<b>604,030</b>	<b>143,115</b>	-	<b>35,653</b>	<b>396</b>	-	<b>18,269</b>	-	-
<b>Total indirect energy consumption</b>	<b>26,250,125</b>	<b>13,743,457</b>	<b>5,571,417</b>	<b>580,048</b>	<b>556,734</b>	<b>151,762</b>	<b>451,519</b>	<b>2,981,832</b>	<b>2,090,593</b>	<b>122,763</b>
Electricity from renewable sources	20.4%	17.5%	16.0%	-	23.0%	42.8%	13.6%	23.7%	49.1%	11.2%
<b>2013</b>										
Plants	142	33	18	2	4	2	2	61	6	14
<b>Electricity</b>										
Non-renewable sources	16,632,997	7,989,155	3,830,463	530,803	332,601	152,819	357,378	2,166,039	1,165,730	108,008
Renewable sources	4,637,829	1,802,108	835,678	-	-	7,200	101,925	695,909	1,181,261	13,748
<b>Total electricity</b>	<b>21,270,826</b>	<b>9,791,263</b>	<b>4,666,141</b>	<b>530,803</b>	<b>332,601</b>	<b>160,019</b>	<b>459,303</b>	<b>2,861,949</b>	<b>2,346,991</b>	<b>121,757</b>
<b>Thermal energy</b>										
Non-renewable sources	4,035,758	3,174,584	381,320	-	-	111,922	-	128,349	239,583	-
Renewable sources	5,223	-	-	-	-	-	-	5,219	-	4
<b>Total thermal energy</b>	<b>4,040,981</b>	<b>3,174,584</b>	<b>381,320</b>	-	-	<b>111,922</b>	-	<b>133,567</b>	<b>239,583</b>	<b>4</b>
<b>Other energy sources</b>										
Non-renewable sources	818,530	619,038	145,104	-	-	3,049	-	51,340	-	-
Renewable sources	-	-	-	-	-	-	-	-	-	-
<b>Total other energy sources</b>	<b>818,530</b>	<b>619,038</b>	<b>145,104</b>	-	-	<b>3,049</b>	-	<b>51,340</b>	-	-
<b>Total indirect energy consumption</b>	<b>26,130,337</b>	<b>13,584,885</b>	<b>5,192,565</b>	<b>530,803</b>	<b>332,601</b>	<b>274,990</b>	<b>459,303</b>	<b>3,046,856</b>	<b>2,586,574</b>	<b>121,761</b>
Electricity from renewable sources	21.8%	18.4%	17.9%	-	-	4.5%	22.2%	24.3%	50.3%	11.3%
<b>2012</b>										
Plants	144	30	21	2	4	1	2	64	6	14
<b>Electricity</b>										
Non-renewable sources	16,039,936	7,679,072	3,831,059	481,737	359,755	18,736	324,605	2,156,054	1,074,426	114,492
Renewable sources	4,479,791	1,648,348	669,728	-	-	7,200	128,236	708,546	1,304,119	13,614
<b>Total electricity</b>	<b>20,519,727</b>	<b>9,327,420</b>	<b>4,500,787</b>	<b>481,737</b>	<b>359,755</b>	<b>25,936</b>	<b>452,841</b>	<b>2,864,600</b>	<b>2,378,544</b>	<b>128,106</b>
<b>Thermal energy</b>										
Non-renewable sources	4,649,668	3,866,666	417,829	-	-	-	-	194,405	128,918	41,850
Renewable sources	4,675	-	-	-	-	-	-	4,671	-	4
<b>Total thermal energy</b>	<b>4,654,343</b>	<b>3,866,666</b>	<b>417,829</b>	-	-	-	-	<b>199,076</b>	<b>128,918</b>	<b>41,854</b>
<b>Other energy sources</b>										
Non-renewable sources	916,072	649,325	213,605	-	-	-	-	53,142	-	-
Renewable sources	-	-	-	-	-	-	-	-	-	-
<b>Total other energy sources</b>	<b>916,072</b>	<b>649,325</b>	<b>213,605</b>	-	-	-	-	<b>53,142</b>	-	-
<b>Total indirect energy consumption</b>	<b>26,090,142</b>	<b>13,843,411</b>	<b>5,132,220</b>	<b>481,737</b>	<b>359,755</b>	<b>25,936</b>	<b>452,841</b>	<b>3,116,818</b>	<b>2,507,463</b>	<b>169,960</b>
Electricity from renewable sources	21.8%	17.7%	14.9%	-	-	27.8%	28.3%	24.7%	54.8%	10.6%
<b>2011</b>										
Plants	150	31	22	2	4	1	2	69	6	13
<b>Electricity</b>										
Non-renewable sources	16,520,074	7,626,194	3,994,101	467,782	225,640	20,991	322,687	2,410,620	1,347,796	104,263
Renewable sources	4,753,938	1,874,039	533,477	-	-	5,760	97,781	790,251	1,439,060	13,570
<b>Total electricity</b>	<b>21,274,012</b>	<b>9,500,233</b>	<b>4,527,578</b>	<b>467,782</b>	<b>225,640</b>	<b>26,751</b>	<b>420,468</b>	<b>3,200,871</b>	<b>2,786,856</b>	<b>117,833</b>
<b>Thermal energy</b>										
Non-renewable sources	5,638,851	4,821,875	454,963	-	-	-	-	207,472	113,259	41,282
Renewable sources	2	-	-	-	-	-	-	-	-	2
<b>Total thermal energy</b>	<b>5,638,853</b>	<b>4,821,875</b>	<b>454,963</b>	-	-	-	-	<b>207,472</b>	<b>113,259</b>	<b>41,284</b>
<b>Other energy sources</b>										
Non-renewable sources	1,089,289	783,617	243,280	-	-	-	-	62,392	-	-
Renewable sources	-	-	-	-	-	-	-	-	-	-
<b>Total other energy sources</b>	<b>1,089,289</b>	<b>783,617</b>	<b>243,280</b>	-	-	-	-	<b>62,392</b>	-	-
<b>Total indirect energy consumption</b>	<b>28,002,154</b>	<b>15,105,725</b>	<b>5,225,821</b>	<b>467,782</b>	<b>225,640</b>	<b>26,751</b>	<b>420,468</b>	<b>3,470,735</b>	<b>2,900,115</b>	<b>159,117</b>
Electricity from renewable sources	22.3%	19.7%	11.8%	-	-	21.5%	23.3%	24.7%	51.6%	11.5%

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#### Direct and indirect energy consumption

Worldwide (GJ)

2014	FCA	Mass-Market Brands				Luxury Brands		Components		
		Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
Plants	145	35	20	2	7	2	2	58	5	14
Electricity	21,615,847	9,972,518	5,125,881	580,048	508,445	101,998	452,368	2,855,409	1,896,420	122,759
Natural gas	21,259,513	15,739,635	1,696,703	746,509	379,968	348,918	421,382	747,228	1,038,679	140,491
Other fuels	1,133,152	74,097	457	-	-	139	-	39,800	1,014,377	4,283
Other energy sources	4,636,348	3,770,939	446,756		48,289	49,764	-	126,423	194,173	4
<b>Total energy consumption</b>	<b>48,644,859</b>	<b>29,557,189</b>	<b>7,269,797</b>	<b>1,326,557</b>	<b>936,702</b>	<b>500,819</b>	<b>873,750</b>	<b>3,768,860</b>	<b>4,143,648</b>	<b>267,537</b>
<b>2013</b>										
Plants	142	33	18	2	4	2	2	61	6	14
Electricity	21,272,390	9,791,263	4,666,917	530,803	332,601	160,019	460,091	2,861,949	2,346,991	121,757
Natural gas	20,956,720	15,546,304	1,708,396	736,521	443,501	280,846	350,297	792,492	950,348	148,015
Other fuels	1,233,711	6,980	-	-	-	280	-	48,070	1,175,641	2,739
Other energy sources	4,859,511	3,793,622	526,424	-	-	114,971	-	184,907	239,583	4
<b>Total energy consumption</b>	<b>48,322,332</b>	<b>29,138,169</b>	<b>6,901,737</b>	<b>1,267,324</b>	<b>776,102</b>	<b>556,116</b>	<b>810,388</b>	<b>3,887,418</b>	<b>4,712,563</b>	<b>272,515</b>
<b>2012</b>										
Plants	144	30	21	2	4	1	2	64	6	14
Electricity	20,521,526	9,327,435	4,501,783	481,737	359,755	25,936	453,629	2,864,600	2,378,545	128,106
Natural gas	18,277,833	13,373,813	1,651,551	627,024	407,370	20,278	305,303	766,481	1,031,840	94,173
Other fuels	1,322,106	9,157	7,294	-	-	-	-	56,164	1,248,293	1,198
Other energy sources	5,570,488	4,516,064	631,434	-	-	-	-	252,218	128,918	41,854
<b>Total energy consumption</b>	<b>45,691,953</b>	<b>27,226,469</b>	<b>6,792,062</b>	<b>1,108,761</b>	<b>767,125</b>	<b>46,214</b>	<b>758,932</b>	<b>3,939,463</b>	<b>4,787,596</b>	<b>265,331</b>
<b>2011</b>										
Plants	150	31	22	2	4	1	2	69	6	13
Electricity	21,276,410	9,500,248	4,529,020	467,782	225,640	26,751	421,409	3,200,871	2,786,856	117,833
Natural gas	19,253,359	14,139,905	1,781,796	630,813	303,890	21,957	309,293	851,221	1,126,947	87,537
Other fuels	1,617,281	16,346	46,510	-	-	-	-	64,455	1,487,614	2,356
Other energy sources	6,728,214	5,805,564	698,243	-	-	-	-	269,864	113,259	41,284
<b>Total energy consumption</b>	<b>48,875,264</b>	<b>29,262,063</b>	<b>7,055,569</b>	<b>1,098,595</b>	<b>529,530</b>	<b>48,708</b>	<b>730,702</b>	<b>4,386,411</b>	<b>5,514,676</b>	<b>249,010</b>

#### Direct and indirect energy consumption per unit of production

FCA Worldwide (GJ/unit of production)

Targeted reduction 2020 vs 2010 (%)	2014	2013	2012	2011	2010	Unit of measurement
FCA Italy assembly and stamping	-20%	<b>4.60</b>	4.67	4.85	5.13	GJ/vehicle produced
FCA US assembly and stamping	-40%	<b>7.07</b>	7.70	7.47	8.99	GJ/vehicle produced
<b>Mass-Market Brand assembly and stamping</b>	<b>-30%</b>	<b>6.01</b>	<b>6.30</b>	<b>6.20</b>	<b>6.86</b>	<b>7.37 GJ/vehicle produced</b>
FCA Italy engines and transmissions (transmissions)	-14%	<b>0.59</b>	0.617	0.616	0.620	GJ/unit produced
FCA Italy engines and transmissions (small engines)	-21%	<b>0.43</b>	0.409	0.415	0.388	GJ/unit produced
FCA Italy engines and transmissions (large engines)	-29%	<b>0.83</b>	0.852	0.982	1.047	GJ/unit produced
FCA US engines and transmissions	-40%	<b>1.00</b>	1.04	1.11	1.25	GJ/unit produced
<b>Mass-Market Brand engines and transmissions</b>	n.a.	<b>0.81</b>	<b>0.80</b>	<b>0.82</b>	<b>0.79</b>	<b>0.90 GJ/unit produced</b>
Mass-Market Brand casting	-40%	<b>6.87</b>	7.84	8.05	8.41	GJ/unit produced
Mass-Market Brand others	-40%	<b>0.19</b>	0.22	0.23	0.30	GJ/hour of production
Maserati	-3%	<b>0.16</b>	0.17	0.18	0.19	GJ/hour of production
Ferrari	n.a.	n.a.	0.14	0.14	0.13	GJ/hour of production
Magneti Marelli	-21%	<b>0.12</b>	0.13	0.13	0.14	GJ/hour of production
Teksid (cast iron)	-	<b>9.92</b>	9.72	9.60	9.30	9.68 GJ/ton produced
Teksid (aluminum)	-15%	<b>37.29</b>	41.79	44.90	47.23	51.52 GJ/ton produced
Comau	-30%	<b>0.019</b>	0.022	0.022	0.024	0.028 GJ/hour of production

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## CO<sub>2</sub> Emissions

### Direct and indirect CO<sub>2</sub> emissions FCA worldwide (tons)

	FCA	Mass-Market Brands				Luxury Brands		Components		
		Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
<b>2014</b>										
Plants	145	35	20	2	7	2	2	58	5	14
Direct emissions	1,203,290	810,943	87,290	37,191	19,037	19,585	23,640	44,486	152,956,48	8,163
Indirect emissions	3,079,279	1,597,295	843,477	90,340	27,270	10,549	52,884	293,687	150,611,21	13,165
<b>Total CO<sub>2</sub> emissions</b>	<b>4,282,568</b>	<b>2,408,238</b>	<b>930,767</b>	<b>127,531</b>	<b>46,307</b>	<b>30,134</b>	<b>76,524</b>	<b>338,172</b>	<b>303,568</b>	<b>21,328</b>
<b>2013</b>										
Plants	142	33	18	2	4	2	2	61	6	14
Direct emissions	1,198,185	796,895	87,833	36,685	22,136	15,776	19,652	47,545	163,173	8,490
Indirect emissions	2,980,135	1,573,897	739,064	82,891	45,232	26,145	48,432	299,201	151,968	13,305
<b>Total CO<sub>2</sub> emissions</b>	<b>4,178,320</b>	<b>2,370,792</b>	<b>826,897</b>	<b>119,576</b>	<b>67,368</b>	<b>41,921</b>	<b>68,084</b>	<b>346,746</b>	<b>315,141</b>	<b>21,795</b>
<b>2012</b>										
Plants	144	30	21	2	4	1	2	64	6	14
Direct emissions	1,069,047	687,031	85,535	31,247	20,325	1,138	17,128	46,628	174,643	5,372
Indirect emissions	2,896,163	1,524,271	750,386	74,410	46,893	1,975	43,991	302,949	133,434	17,854
<b>Total CO<sub>2</sub> emissions</b>	<b>3,965,210</b>	<b>2,211,302</b>	<b>835,921</b>	<b>105,657</b>	<b>67,218</b>	<b>3,113</b>	<b>61,119</b>	<b>349,577</b>	<b>308,077</b>	<b>23,226</b>
<b>2011</b>										
Plants	150	31	22	2	4	1	2	69	6	13
Direct emissions	1,149,552	730,055	94,874	31,429	15,271	1,232	17,351	51,903	202,367	5,070
Indirect emissions	3,046,515	1,607,349	756,353	75,838	43,720	2,262	43,731	334,358	166,123	16,781
<b>Total CO<sub>2</sub> emissions</b>	<b>4,196,067</b>	<b>2,337,404</b>	<b>851,227</b>	<b>107,267</b>	<b>58,991</b>	<b>3,494</b>	<b>61,082</b>	<b>386,261</b>	<b>368,490</b>	<b>21,851</b>

### Direct and indirect CO<sub>2</sub> emissions per unit of production

FCA Worldwide (tons of CO<sub>2</sub>/unit of production)

	Targeted reduction 2020 vs 2010 (%)	<b>2014</b>	2013	2012	2011	2010	Unit of measurement
FCA Italy assembly and stamping	-35%	0.337	0.347	0.373	0.406	0.444	tons of CO <sub>2</sub> /vehicle produced
FCA US assembly and stamping	-35%	0.604	0.661	0.644	0.746	0.897	tons of CO <sub>2</sub> /vehicle produced
<b>Mass-Market Brand assembly and stamping</b>	<b>-32%</b>	<b>0.490</b>	<b>0.516</b>	<b>0.513</b>	<b>0.558</b>	<b>0.616</b>	<b>tons of CO<sub>2</sub>/vehicle produced</b>
FCA Italy engines and transmissions (transmissions)	-41%	0.050	0.038	0.047	0.050	0.057	tons of CO <sub>2</sub> /unit produced
FCA Italy engines and transmissions (small engines)	-54%	0.023	0.024	0.027	0.033	0.045	tons of CO <sub>2</sub> /unit produced
FCA Italy engines and transmissions (large engines)	-54%	0.056	0.056	0.065	0.072	0.093	tons of CO <sub>2</sub> /unit produced
FCA US engines and transmissions	-35%	0.150	0.154	0.166	0.180	0.215	tons of CO <sub>2</sub> /unit produced
<b>Mass-Market Brand engines and transmissions</b>	<b>n.a.</b>	<b>0.104</b>	<b>0.097</b>	<b>0.101</b>	<b>0.103</b>	<b>0.115</b>	<b>tons of CO<sub>2</sub>/unit produced</b>
Mass-Market Brand casting	-35%	0.660	0.740	0.767	0.822	0.992	tons of CO <sub>2</sub> /ton produced
Mass-Market Brand others	-35%	0.012	0.019	0.020	0.034	0.030	tons of CO <sub>2</sub> /hour of production
Maserati	-2.3%	0.010	0.013	0.014	0.014	0.014	tons of CO <sub>2</sub> /hour of production
Ferrari	-	n.a.	0.011	0.011	0.012	0.014	tons of CO <sub>2</sub> /hour of production
Magneti Marelli	-24%	0.011	0.012	0.012	0.013	0.015	tons of CO <sub>2</sub> /hour of production
Teksid (cast iron)	-	0.757	0.710	0.670	0.670	0.690	tons of CO <sub>2</sub> /ton produced
Teksid (aluminum)	-15%	2.320	2.622	2.813	3.026	3.350	tons of CO <sub>2</sub> /ton produced
Comau	-40%	0.0016	0.0017	0.0019	0.0021	0.0027	tons of CO <sub>2</sub> /hour of production

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#### Electricity from renewable sources

FCA Worldwide (%)

	<b>2014</b>	2012	2012	2011	2010
FCA Italy assembly and stamping	<b>49.1%</b>	51.1%	47.7%	48.1%	41.6%
FCA US assembly and stamping	-	-	-	-	-
<b>Mass-Market Brand assembly and stamping</b>	<b>17.5%</b>	<b>18.4%</b>	<b>17.7%</b>	<b>19.7%</b>	<b>17.9%</b>
FCA Italy engines and transmissions	<b>51.9%</b>	60.1%	49.9%	35.1%	28.2%
FCA US engines and transmissions	-	-	-	-	-
<b>Mass-Market Brand engines and transmissions</b>	<b>16.0%</b>	<b>17.9%</b>	<b>14.9%</b>	<b>11.8%</b>	<b>9.3%</b>
Mass-Market Brand casting	-	-	-	-	-
Mass-Market Brand others	<b>23.0%</b>	-	-	-	-
Maserati	<b>42.8%</b>	4.5%	27.8%	21.5%	-
Ferrari	<b>13.6%</b>	22.2%	28.3%	23.3%	-
Magneti Marelli	<b>23.7%</b>	24.3%	24.7%	24.7%	23.8%
Teksid	<b>49.1%</b>	50.3%	54.8%	51.6%	53.9%
Comau	<b>11.2%</b>	11.3%	10.6%	11.5%	0.9%
<b>Average FCA</b>	<b>20.4%</b>	<b>21.8%</b>	<b>21.8%</b>	<b>22.3%</b>	<b>20.1%</b>
<b>Average excluding FCA US</b>	<b>41.2%</b>	<b>42.7%</b>	<b>42.1%</b>	<b>39.7%</b>	<b>35.8%</b>

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## Other Emissions and Impacts

### Presence of Ozone-Depleting

#### Substances in equipment

FCA worldwide (Kg)

2014	FCA	Mass-Market Brands				Luxury Brands		Components		
		Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
Plants	145	35	20	2	7	2	2	58	5	14
CFCs	1,320	1,100	56	121	41	-	-	1	-	-
HCFCs	66,499	51,248	9,162	1,405	2,240	-	180	1,949	-	315
Halons	-	-	-	-	-	-	-	-	-	-
Methyl bromide	-	-	-	-	-	-	-	-	-	-
Other CFCs fully halogenated	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>67,819</b>	<b>52,349</b>	<b>9,218</b>	<b>1,526</b>	<b>2,282</b>	-	<b>180</b>	<b>1,950</b>	-	<b>315</b>
<b>2013</b>										
Plants	142	33	18	2	4	2	2	61	6	14
CFCs	1,250	1,094	85	13	20	-	-	38	-	-
HCFCs	77,459	65,661	2,614	928	2,157	20	2,012	3,571	42	454
Halons	56	-	-	22	-	-	-	34	-	-
Methyl bromide	-	-	-	-	-	-	-	-	-	-
Other CFCs fully halogenated	1	-	-	-	-	-	-	1	-	-
<b>Total</b>	<b>78,766</b>	<b>66,755</b>	<b>2,699</b>	<b>963</b>	<b>2,177</b>	<b>20</b>	<b>2,012</b>	<b>3,644</b>	<b>42</b>	<b>454</b>
<b>2012</b>										
Plants	144	30	21	2	4	1	2	64	6	14
CFCs	1,621	1,093	467	20	20	-	-	21	-	-
HCFCs	82,324	65,369	2,646	878	2,279	-	2,352	8,085	86	629
Halons	162	-	-	22	-	-	-	140	-	-
Methyl bromide	-	-	-	-	-	-	-	-	-	-
Other CFCs fully halogenated	1	-	-	-	-	-	-	1	-	-
<b>Total</b>	<b>84,108</b>	<b>66,462</b>	<b>3,113</b>	<b>920</b>	<b>2,299</b>	-	<b>2,352</b>	<b>8,247</b>	<b>86</b>	<b>629</b>

### Emission of Nitrogen Oxides (NO<sub>x</sub>)

FCA worldwide (tons)

	2014	2013	2012	2011	2010
FCA Italy assembly and stamping	347	351	304	342	352
FCA US assembly and stamping	553	543	467	488	457
<b>Mass-Market Brand assembly and stamping</b>	<b>900</b>	<b>894</b>	<b>771</b>	<b>830</b>	<b>809</b>
FCA Italy engines and transmissions	40	40	41	43	46
FCA US engines and transmissions	58	59	58	69	69
<b>Mass-Market Brand engines and transmissions</b>	<b>98</b>	<b>99</b>	<b>99</b>	<b>112</b>	<b>115</b>
Mass-Market Brand casting	32	32	27	27	33
Mass-Market Brand others	18	19	18	13	29
Maserati	41	31	2	3	3
Ferrari	50	41	36	37	37
Magneti Marelli	92	98	96	106	114
Teksid	179	163	176	197	202
Comau	17	18	11	10	9
<b>Total</b>	<b>1,428</b>	<b>1,396</b>	<b>1,235</b>	<b>1,335</b>	<b>1,349</b>

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#### Emissions of Sulfur Oxides (SO<sub>x</sub>)

FCA worldwide (tons)

	2014	2013	2012	2011	2010
FCA Italy assembly and stamping	1	1	2	2	2
FCA US assembly and stamping	3	3	3	3	3
<b>Mass-Market Brand assembly and stamping</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>
FCA Italy engines and transmissions	-	-	-	-	-
FCA US engines and transmissions	-	-	5	30	7
<b>Mass-Market Brand engines and transmissions</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>30</b>	<b>7</b>
Mass-Market Brand casting	-	-	-	-	-
Mass-Market Brand others	-	-	-	-	-
Maserati	-	-	-	-	-
Ferrari	-	-	-	-	-
Magneti Marelli	1	1	2	3	4
Teksid	143	166	177	211	185
Comau	-	-	-	-	-
<b>Total</b>	<b>149</b>	<b>172</b>	<b>189</b>	<b>249</b>	<b>200</b>

#### Emissions of Dust

FCA worldwide (tons)

	2014	2013	2012	2011	2010
FCA Italy assembly and stamping	0.1	0.1	0.2	0.2	0.2
FCA US assembly and stamping	41.2	40.5	34.8	36.4	34.1
<b>Mass-Market Brand assembly and stamping</b>	<b>41.3</b>	<b>40.6</b>	<b>35.0</b>	<b>36.6</b>	<b>34.3</b>
FCA Italy engines and transmissions	-	-	-	-	-
FCA US engines and transmissions	4.3	4.4	4.3	5.6	5.2
<b>Mass-Market Brand engines and transmissions</b>	<b>4.3</b>	<b>4.4</b>	<b>4.3</b>	<b>5.6</b>	<b>5.2</b>
Mass-Market Brand casting	2.4	2.4	2.0	2.0	2.4
Mass-Market Brand others	1.2	1.4	1.3	1.0	2.1
Maserati	-	-	-	-	-
Ferrari	-	-	-	-	-
Magneti Marelli	0.1	0.1	0.1	0.1	0.1
Teksid	21.7	25.2	26.8	32.0	28.0
Comau	-	-	-	-	-
<b>Total</b>	<b>70.9</b>	<b>74.1</b>	<b>69.6</b>	<b>77.2</b>	<b>72.1</b>

#### Emissions of Volatile Organic Compounds (VOC)

FCA worldwide (g/m<sup>2</sup>)

	Target 2020 vs 2010 (%)	2014	2013	2012	2011	2010
FCA Italy assembly and stamping	-20%	38.1	40.9	41.8	42.8	43.1
FCA US assembly and stamping	maintain	17.6	18.8	17.7	18.9	19.5
<b>Mass-Market Brand assembly and stamping</b>	<b>-25%</b>	<b>25.8</b>	<b>28.3</b>	<b>28.0</b>	<b>30.2</b>	<b>32.4</b>
FCA Italy engines and transmissions <sup>(1)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCA US engines and transmissions <sup>(1)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Mass-Market Brand engines and transmissions<sup>(1)</sup></b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
Mass-Market Brand casting <sup>(1)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand others <sup>(1)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Maserati	-19%	33.9	55.3	55.3	55.3	55.3
Ferrari	n.a.	35.3	35.1	36.3	30.8	35.1
Magneti Marelli	-10%	41.2	48.3	44.0	48.2	48.1
Teksid	-68%	89.2	50.5	135.4	186.2	198.5
Comau	maintain	12.2	12.6	12.6	12.7	14.1
<b>Average VOC emissions</b>	<b>up to -68%</b>	<b>26.3</b>	<b>28.8</b>	<b>28.4</b>	<b>31.0</b>	<b>33.2</b>

<sup>(1)</sup> FCA Italy engines and transmissions, FCA US engines and transmissions, Mass-Market Brand casting and Mass-Market Brand others are not equipped with paint shops.

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## Water

### Water withdrawal and discharge

FCA worldwide (thousands of m<sup>3</sup>)

	FCA	Mass-Market Brands				Luxury Brands		Components		
		Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
<b>2014</b>										
Plants	145	35	20	2	7	2	2	58	5	14
<b>Withdrawal</b>										
Groundwater	5,937	2,138	733	194	18	247	446	605	1,515	41
Municipal water supply	17,936	13,003	2,932	125	315	61	105	975	361	60
Surface water	767	412	1	-	-	-	-	234	119	1
Other	12	9	-	-	-	-	-	3	-	-
<b>Total water withdrawal</b>	<b>24,653</b>	<b>15,562</b>	<b>3,665</b>	<b>319</b>	<b>333</b>	<b>308</b>	<b>551</b>	<b>1,818</b>	<b>1,995</b>	<b>102</b>
<b>Discharge</b>										
Surface water	4,312	1,106	1,587	-	1	-	-	49	1,561	7
Public sewer systems	10,250	7,598	1,327	132	115	142	264	526	83	62
Other destinations	1,694	1,162	373	15	30	-	30	75	-	9
<b>Total water discharge</b>	<b>16,255</b>	<b>9,866</b>	<b>3,288</b>	<b>147</b>	<b>146</b>	<b>142</b>	<b>294</b>	<b>650</b>	<b>1,644</b>	<b>78</b>
<b>2013</b>										
Plants	142	33	18	2	4	2	2	61	6	14
<b>Withdrawal</b>										
Groundwater	6,219	2,383	688	178	9	222	543	669	1,482	44
Municipal water supply	17,589	11,998	2,848	115	162	98	131	1,568	606	62
Surface water	1,113	419	-	-	-	-	-	339	355	-
Other	16	13	3	-	-	-	-	1	-	-
<b>Total water withdrawal</b>	<b>24,936</b>	<b>14,812</b>	<b>3,539</b>	<b>293</b>	<b>171</b>	<b>320</b>	<b>674</b>	<b>2,577</b>	<b>2,443</b>	<b>106</b>
<b>Discharge</b>										
Surface water	4,586	1,328	1,149	-	-	-	-	82	2,027	-
Public sewer systems	10,352	7,011	1,269	126	84	95	423	913	357	76
Other destinations	1,258	674	458	13	-	-	24	89	-	-
<b>Total water discharge</b>	<b>16,196</b>	<b>9,012</b>	<b>2,876</b>	<b>139</b>	<b>84</b>	<b>95</b>	<b>447</b>	<b>1,084</b>	<b>2,384</b>	<b>76</b>
<b>2012</b>										
Plants	144	30	21	2	4	1	2	64	6	14
<b>Withdrawal</b>										
Groundwater	6,494	2,598	802	152	-	3	471	673	1,748	47
Municipal water supply	18,219	12,414	2,905	87	201	13	147	1,657	724	71
Surface water	1,124	417	1	-	-	-	-	315	391	-
Other	37	20	-	-	-	-	-	17	-	-
<b>Total water withdrawal</b>	<b>25,874</b>	<b>15,449</b>	<b>3,708</b>	<b>239</b>	<b>201</b>	<b>16</b>	<b>618</b>	<b>2,662</b>	<b>2,863</b>	<b>118</b>
<b>Discharge</b>										
Surface water	4,288	1,259	1,076	-	-	-	-	62	1,891	-
Public sewer systems	9,875	7,165	1,306	110	106	16	319	695	73	85
Other destinations	3,158	954	373	-	-	-	-	1,460	371	-
<b>Total water discharge</b>	<b>17,321</b>	<b>9,378</b>	<b>2,755</b>	<b>110</b>	<b>106</b>	<b>16</b>	<b>319</b>	<b>2,217</b>	<b>2,335</b>	<b>85</b>
<b>2011</b>										
Plants	150	31	22	2	4	1	2	69	6	13
<b>Withdrawal</b>										
Groundwater	8,287	3,245	1,356	165	-	3	433	704	2,328	53
Municipal water supply	20,225	13,990	3,115	80	135	13	105	1,830	888	69
Surface water	1,250	515	-	-	-	-	-	307	428	-
Other	100	16	1	-	-	-	-	83	-	-
<b>Total water withdrawal</b>	<b>29,862</b>	<b>17,766</b>	<b>4,472</b>	<b>245</b>	<b>135</b>	<b>16</b>	<b>538</b>	<b>2,924</b>	<b>3,644</b>	<b>122</b>
<b>Discharge</b>										
Surface water	4,888	1,047	1,536	-	-	-	-	114	2,191	-
Public sewer systems	11,368	8,092	1,399	122	126	15	178	1,282	70	84
Other destinations	2,583	1,439	542	-	-	-	-	174	428	-
<b>Total water discharge</b>	<b>18,839</b>	<b>10,578</b>	<b>3,477</b>	<b>122</b>	<b>126</b>	<b>15</b>	<b>178</b>	<b>1,570</b>	<b>2,689</b>	<b>84</b>

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### Water withdrawal per unit of production

FCA worldwide (m<sup>3</sup>/unit of production)

	Targeted reduction 2020 vs 2010 (%)	2014	2013	2012	2011	2010	Unit of measurement
FCA Italy assembly and stamping	-45%	3.30	3.25	3.55	4.48	5.27	m <sup>3</sup> /vehicle produced
FCA US assembly and stamping	-35%	3.06	3.32	3.42	3.62	4.53	m <sup>3</sup> /vehicle produced
<b>Mass-Market Brand assembly and stamping</b>	<b>-40%</b>	<b>3.16</b>	<b>3.28</b>	<b>3.49</b>	<b>4.10</b>	<b>4.99</b>	<b>m<sup>3</sup>/vehicle produced</b>
FCA Italy engines and transmissions	-59%	0.76	0.74	0.50	0.67	0.79	m <sup>3</sup> /unit produced
FCA US engines and transmissions	-35%	0.33	0.35	0.40	0.42	0.50	m <sup>3</sup> /unit produced
<b>Mass-Market Brand engines and transmissions</b>	<b>-52%</b>	<b>0.40</b>	<b>0.41</b>	<b>0.45</b>	<b>0.54</b>	<b>0.65</b>	<b>m<sup>3</sup>/unit produced</b>
Mass-Market Brand casting	-15%	1.65	1.82	1.74	1.88	2.07	m <sup>3</sup> /ton produced
Mass-Market Brand others	-50%	0.05	0.05	0.06	0.08	0.10	m <sup>3</sup> /hour of production
Maserati	-1%	7.34	15.24	14.62	14.63	14.68	m <sup>3</sup> /vehicle produced
Ferrari	n.a.	0.17	0.21	0.20	0.17	0.15	m <sup>3</sup> /hour of production
Magneti Marelli	-50%	0.08	0.08	0.09	0.10	0.12	m <sup>3</sup> /hour of production
Teksid (cast iron)	-11%	2.68	2.99	3.15	3.22	3.15	m <sup>3</sup> /ton produced
Teksid (aluminum)	-77%	45.92	61.56	87.19	122.61	154.27	m <sup>3</sup> /ton produced
Comau	-50%	0.008	0.010	0.010	0.010	0.010	m <sup>3</sup> /hour of production
<b>FCA</b>	<b>up to -77%</b>						

### Water recycling index

FCA worldwide (thousands of m<sup>3</sup>)

2014	FCA	Mass-Market Brands				Luxury Brands		Components		
		Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
Total water requirement	3,291,170	2,473,364	644,280	114,458	7,953	17,443	550	29,298	3,721	102
of which covered by recycling	3,266,518	2,457,803	640,615	114,139	7,620	17,135	-	27,480	1,726	-
<b>of which water withdrawal</b>	<b>24,653</b>	<b>15,562</b>	<b>3,666</b>	<b>319</b>	<b>333</b>	<b>308</b>	<b>550</b>	<b>1,818</b>	<b>1,995</b>	<b>102</b>
<b>Recycling Index (%)</b>	<b>99.3</b>	99.4	99.4	99.7	95.8	98.2	-	93.8	46.4	-
<b>2013</b>										
Total water requirement	2,155,551	1,377,112	590,564	113,760	10,271	14,717	674	36,876	11,471	106
of which covered by recycling	2,130,615	1,362,299	587,016	113,467	10,109	14,397	-	34,299	9,028	-
of which water withdrawal	24,936	14,812	3,548	293	162	320	674	2,577	2,443	106
<b>Recycling Index (%)</b>	<b>98.8</b>	98.9	99.4	99.7	98.4	97.8	-	93.0	78.7	-
<b>2012</b>										
Total water requirement	2,064,747	1,343,717	540,438	121,821	10,310	16	618	38,106	9,599	121
of which covered by recycling	2,038,873	1,328,268	536,730	121,582	10,109	-	-	35,444	6,736	3
of which water withdrawal	25,874	15,449	3,708	239	201	16	618	2,662	2,863	118
<b>Recycling Index (%)</b>	<b>98.7</b>	98.9	99.3	99.8	98.1	-	-	93.0%	70.2	2.5

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## BOD - COD - TSS

### Biochemical Oxygen Demand (BOD)<sup>(2)</sup>

FCA worldwide (maximum level under applicable regulation = 100)  
percentage of the limit

	2014	2013	2012	2011	2010
FCA Italy assembly and stamping	16.1	16.4	25.0	32.1	16.5
FCA US assembly and stamping	9.8	12.1	20.0	24.1	n.a.
FCA Italy engines and transmissions	17.2	15.5	25.0	50.4	-
FCA US engines and transmissions	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.	n.a.	n.a.
Maserati	8.0	15.8	3.2	21.7	n.a.
Ferrari	2.4	11.0	5.6	n.a.	n.a.
Magneti Marelli	50.0	40.4	13.3	60.8	n.a.
Teksid	8.3	6.7	30.0	35.3	n.a.
Comau	4.1	3.0	28.3	21.4	n.a.

### Chemical Oxygen Demand (COD)<sup>(2)</sup>

FCA worldwide (maximum level under applicable regulation = 100)  
percentage of the limit

	2014	2013	2012	2011	2010
FCA Italy assembly and stamping	17.7	23.5	14.5	10.8	50.0
FCA US assembly and stamping	n.a.	n.a.	n.a.	n.a.	n.a.
FCA Italy engines and transmissions	23.4	46.3	3.6	51.4	45.0
FCA US engines and transmissions	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.	n.a.	n.a.
Maserati	10.3	42.9	7.0	43.9	n.a.
Ferrari	18.2	20.0	8.6	n.a.	n.a.
Magneti Marelli	50.8	68.4	2.2	49.1	n.a.
Teksid	47.2	27.8	27.8	32.9	n.a.
Comau	34.0	20.2	10.4	21.6	n.a.

### Total Suspended Solids (TSS)<sup>(2)</sup>

FCA worldwide (maximum level under applicable regulation = 100)  
percentage of the limit

	2014	2013	2012	2011	2010
FCA Italy assembly and stamping	13.3	12.8	30.0	45.2	48.3
FCA US assembly and stamping	7.2	11.8	13.0	23.7	n.a.
FCA Italy engines and transmissions	20.2	31.6	36.0	52.0	50.0
FCA US engines and transmissions	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.	n.a.	n.a.
Maserati	2.8	19.7	4.0	36.7	n.a.
Ferrari	42.2	12.0	6.0	n.a.	n.a.
Magneti Marelli	33.6	35.0	3.0	72.0	n.a.
Teksid	38.6	8.6	8.6	27.7	n.a.
Comau	24.8	24.8	36.0	17.0	n.a.

### Biochemical Oxygen (BOD)<sup>(2)</sup>

FCA worldwide (milligram/liter)

	2014	2013	2012	2011	2010
FCA Italy assembly and stamping	46.9	42.2	27.8	53.8	87.2
FCA US assembly and stamping	19.5	24.2	40.0	48.3	n.a.
FCA Italy engines and transmissions	40.2	36.5	42.3	18.3	27.2
FCA US engines and transmissions	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.	n.a.	n.a.
Maserati	20.0	10.0	8.0	13.0	n.a.
Ferrari	6.0	12.3	14.0	n.a.	n.a.
Magneti Marelli	51.7	38.0	17.8	97.9	n.a.
Teksid	24.7	31.8	21.1	23.2	n.a.
Comau	29.5	19.4	35.5	388.5	n.a.

### Chemical Oxygen Demand (COD)<sup>(2)</sup>

FCA worldwide (milligram/liter)

	2014	2013	2012	2011	2010
FCA Italy assembly and stamping	98.3	117.7	89.8	25.9	89.6
FCA US assembly and stamping	n.a.	n.a.	n.a.	n.a.	n.a.
FCA Italy engines and transmissions	114.7	201.9	116.3	38.4	53.1
FCA US engines and transmissions	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.	n.a.	n.a.
Maserati	51.5	214.6	35.0	79.0	n.a.
Ferrari	90.9	65.3	43.0	n.a.	n.a.
Magneti Marelli	170.4	107.6	48.6	254.4	n.a.
Teksid	39.3	83.7	61.8	43.6	n.a.
Comau	29.6	31.1	89.3	1,104.1	n.a.

### Total Suspended Solids (TSS)<sup>(2)</sup>

FCA worldwide (milligram/liter)

	2014	2013	2012	2011	2010
FCA Italy assembly and stamping	42.6	35.4	29.3	50.5	94.9
FCA US assembly and stamping	14.3	23.5	26.0	47.5	n.a.
FCA Italy engines and transmissions	40.8	64.3	36.7	8.0	19.1
FCA US engines and transmissions	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.	n.a.	n.a.
Maserati	5.7	39.4	8.0	36.7	n.a.
Ferrari	84.3	15.9	12.0	n.a.	n.a.
Magneti Marelli	25.9	15.0	28.3	55.9	n.a.
Teksid	20.8	17.9	14.6	21.0	n.a.
Comau	19.4	15.6	28.8	296.6	n.a.

<sup>(2)</sup> Figures take into account worst level registered for all plants in each Sector.

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## Heavy metals in water discharged

### Cadmium (Cd)<sup>(3)</sup>

FCA worldwide (maximum level under applicable regulation = 100)  
percentage of the limit

	2014	2013	2012
FCA Italy assembly and stamping	4.0	6.8	20.0
FCA US assembly and stamping	18.7	18.7	42.9
FCA Italy engines and transmissions	3.0	0.7	15.0
FCA US engines and transmissions	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.
Maserati	-	9.9	10.0
Ferrari	5.0	5.0	5.0
Magneti Marelli	35.0	3.0	25.0
Teksid	15.0	15.0	15.0
Comau	n.a.	n.a.	n.a.

### Cadmium (Cd)<sup>(3)</sup>

FCA worldwide (milligram/liter)

	2014	2013	2012
FCA Italy assembly and stamping	-	-	-
FCA US assembly and stamping	0.1	0.1	2.5
FCA Italy engines and transmissions	-	-	-
FCA US engines and transmissions	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.
Maserati	-	-	-
Ferrari	-	-	-
Magneti Marelli	-	-	-
Teksid	-	-	-
Comau	n.a.	n.a.	n.a.

### Copper (Cu)<sup>(3)</sup>

FCA worldwide (maximum level under applicable regulation = 100)  
percentage of the limit

	2014	2013	2012
FCA Italy assembly and stamping	2.7	4.0	28.0
FCA US assembly and stamping	4.2	4.2	40.0
FCA Italy engines and transmissions	6.2	1.8	21.0
FCA US engines and transmissions	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.
Maserati	7.5	51.6	50.0
Ferrari	13.2	2.0	2.0
Magneti Marelli	22.3	25.0	51.0
Teksid	39.0	28.0	20.0
Comau	n.a.	n.a.	n.a.

### Copper (Cu)<sup>(3)</sup>

FCA worldwide (milligram/liter)

	2014	2013	2012
FCA Italy assembly and stamping	-	-	-
FCA US assembly and stamping	0.3	0.3	1.5
FCA Italy engines and transmissions	-	-	-
FCA US engines and transmissions	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.
Maserati	-	0.2	0.2
Ferrari	0.1	-	-
Magneti Marelli	0.1	-	-
Teksid	-	0.1	-
Comau	n.a.	n.a.	n.a.

### Lead (Pb)<sup>(3)</sup>

FCA worldwide (maximum level under applicable regulation = 100)  
percentage of the limit

	2014	2013	2012
FCA Italy assembly and stamping	7.6	7.6	25.0
FCA US assembly and stamping	20.0	20.0	40.0
FCA Italy engines and transmissions	17.7	5.2	25.0
FCA US engines and transmissions	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.
Maserati	16.7	4.0	3.3
Ferrari	3.4	3.0	3.3
Magneti Marelli	97.5	9.7	28.0
Teksid	-	25.0	25.0
Comau	n.a.	n.a.	n.a.

### Lead (Pb)<sup>(3)</sup>

FCA worldwide (milligram/liter)

	2014	2013	2012
FCA Italy assembly and stamping	-	-	-
FCA US assembly and stamping	0.2	0.2	1.5
FCA Italy engines and transmissions	0.1	-	0.1
FCA US engines and transmissions	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.
Maserati	0.1	-	-
Ferrari	-	-	-
Magneti Marelli	-	-	-
Teksid	-	-	-
Comau	n.a.	n.a.	n.a.

<sup>(3)</sup> Figures take into account worst level registered for all plants in each company.

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### Nickel (Ni)<sup>(3)</sup>

FCA worldwide (maximum level under applicable regulation = 100)  
percentage of the limit

	<b>2014</b>	2013	2012
FCA Italy assembly and stamping	<b>11.6</b>	<b>14.2</b>	50.0
FCA US assembly and stamping	<b>6.2</b>	<b>6.2</b>	37.5
FCA Italy engines and transmissions	<b>4.5</b>	<b>8.4</b>	24.1
FCA US engines and transmissions	n.a.	n.a.	n.a.
Mass-Market Brand casting	-	n.a.	n.a.
Mass-Market Brand others	-	n.a.	n.a.
Maserati	<b>2.5</b>	<b>21.4</b>	22.0
Ferrari	<b>2.0</b>	<b>4.0</b>	4.8
Magneti Marelli	<b>16.1</b>	<b>10.4</b>	33.3
Teksid	<b>5.0</b>	<b>5.0</b>	5.0
Comau	n.a.	n.a.	n.a.

### Nickel (Ni)<sup>(3)</sup>

FCA worldwide (milligram/liter)

	<b>2014</b>	2013	2012
FCA Italy assembly and stamping	<b>0.4</b>	0.4	0.5
FCA US assembly and stamping	-	0.3	3.5
FCA Italy engines and transmissions	<b>0.1</b>	0.3	0.1
FCA US engines and transmissions	-	n.a.	n.a.
Mass-Market Brand casting	-	n.a.	n.a.
Mass-Market Brand others	-	n.a.	n.a.
Maserati	<b>0.1</b>	0.9	0.9
Ferrari	<b>0.1</b>	0.1	0.2
Magneti Marelli	<b>0.1</b>	-	0.4
Teksid	<b>0.1</b>	-	0.1
Comau	n.a.	n.a.	n.a.

### Zinc (Zn)<sup>(3)</sup>

FCA worldwide (maximum level under applicable regulation = 100)  
percentage of the limit

	<b>2014</b>	2013	2012
FCA Italy assembly and stamping	<b>20.8</b>	<b>23.9</b>	21.2
FCA US assembly and stamping	<b>1.7</b>	<b>1.4</b>	33.3
FCA Italy engines and transmissions	<b>12.4</b>	<b>15.6</b>	50.4
FCA US engines and transmissions	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.
Maserati	<b>26.0</b>	<b>76.7</b>	76.0
Ferrari	<b>64.9</b>	<b>15.0</b>	45.0
Magneti Marelli	<b>11.0</b>	<b>21.0</b>	10.9
Teksid	<b>44.0</b>	<b>48.0</b>	80.0
Comau	n.a.	n.a.	n.a.

### Zinc (Zn)<sup>(3)</sup>

FCA worldwide (milligram/liter)

	<b>2014</b>	2013	2012
FCA Italy assembly and stamping	<b>0.5</b>	0.5	0.1
FCA US assembly and stamping	<b>0.4</b>	0.3	4.5
FCA Italy engines and transmissions	<b>0.1</b>	0.5	0.3
FCA US engines and transmissions	n.a.	n.a.	n.a.
Mass-Market Brand casting	n.a.	n.a.	n.a.
Mass-Market Brand others	n.a.	n.a.	n.a.
Maserati	<b>0.3</b>	0.8	0.8
Ferrari	<b>0.7</b>	0.1	0.5
Magneti Marelli	<b>0.1</b>	0.1	0.1
Teksid	<b>0.3</b>	0.2	0.7
Comau	n.a.	n.a.	n.a.

<sup>(3)</sup> Figures take into account worst level registered for all plants in each company.

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## Waste

Waste generation and management FCA worldwide (tons)		Mass-Market Brands				Luxury Brands		Components		
2014	FCA	Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau
Plants	145	35	20	2	7	2	2	58	5	14
<b>Waste generated</b>										
Non-hazardous waste	1,706,542	986,993	155,055	61,990	17,603	3,941	8,036	54,636	415,026	3,261
Hazardous waste	37,766	14,072	8,176	-	295	399	4,444	8,351	1,809	221
<b>Total waste generated</b> of which packaging	<b>1,744,308</b> 94,655	<b>1,001,065</b> 62,949	<b>163,231</b> 10,684	<b>61,990</b> -	<b>17,898</b> 1,758	<b>4,340</b> 3,514	<b>12,480</b> 1,307	<b>62,987</b> 13,550	<b>416,835</b> 399	<b>3,482</b> <b>494</b>
<b>Waste disposed</b>										
Waste to landfill	295,358	12,843	2,400	156	798	-	-	2,073	276,923	165
Waste to treatment	42,888	13,541	15,650	5	204	413	6,759	5,715	520	81
<b>Total waste disposed</b>	<b>338,246</b>	<b>26,384</b>	<b>18,050</b>	<b>161</b>	<b>1,002</b>	<b>413</b>	<b>6,759</b>	<b>7,788</b>	<b>277,443</b>	<b>246</b>
<b>Waste recovered</b>										
Waste-to-energy conversion	18,361	11,360	3,247	370	185	-	-	1,377	1,517	305
Waste recovery	1,387,701	963,321	141,933	61,460	16,710	3,927	5,721	53,822	137,875	2,931
<b>Total waste recovered</b> waste recovered	<b>1,406,062</b> 80.6%	<b>974,681</b> 97.4%	<b>145,180</b> 88.9%	<b>61,830</b> 99.7%	<b>16,895</b> 94.4%	<b>3,927</b> 90.5%	<b>5,721</b> 45.8%	<b>55,199</b> 87.6%	<b>139,392</b> 33.4%	<b>3,236</b> 92.9%
waste sent to landfill	16.9%	1.3%	1.5%	0.3%	4.5%	-	-	3.3%	66.4%	4.7%
<b>2013</b>										
Plants	142	33	18	2	4	2	2	61	6	14
<b>Waste generated</b>										
Non-hazardous waste	1,770,028	942,887	145,877	45,574	14,065	2,635	8,224	53,620	554,213	2,932
Hazardous waste	39,070	16,289	6,543	0	0	270	3,003	8,877	3,629	459
<b>Total waste generated</b> of which packaging	<b>1,809,098</b> 121,837	<b>959,176</b> 96,699	<b>152,421</b> 8,488	<b>45,574</b> 8	<b>14,065</b> 1,379	<b>2,905</b> 2,545	<b>11,227</b> 1,043	<b>62,497</b> 10,196	<b>557,842</b> 1,026	<b>3,391</b> <b>453</b>
<b>Waste disposed</b>										
Waste to landfill	438,741	12,050	2,071	123	752	-	-	2,952	420,574	219
Waste to treatment	31,055	3,602	11,455	6	-	246	6,052	7,400	1,962	331
<b>Total waste disposed</b>	<b>469,796</b>	<b>15,653</b>	<b>13,526</b>	<b>129</b>	<b>752</b>	<b>246</b>	<b>6,052</b>	<b>10,352</b>	<b>422,536</b>	<b>550</b>
<b>Waste recovered</b>										
Waste-to-energy conversion	23,750	18,762	1,871	340	-	-	-	613	1,863	301
Waste recovery	1,315,552	924,762	137,024	45,105	13,312	2,659	5,175	51,532	133,443	2,540
<b>Total waste recovered<sup>(4)</sup></b> waste recovered	<b>1,339,302</b> 74.0%	<b>943,523</b> 98.4%	<b>138,895</b> 91.1%	<b>45,445</b> 99.7%	<b>13,312</b> 94.6%	<b>2,659</b> 91.5%	<b>5,175</b> 46.1%	<b>52,145</b> 83.4%	<b>135,306</b> 24.3%	<b>2,841</b> 83.8%
waste sent to landfill	24.3%	1.3%	1.4%	0.3%	5.3%	-	-	4.7%	75.4%	6.5%

<sup>(4)</sup> Total waste recovered has been recalculated for 2011-2013 to align with GRI G4 indicator EN23, therefore also the total waste disposed figure changed.

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Waste generation and management FCA worldwide (tons)		<b>FCA</b>	Mass-Market Brands				Luxury Brands		Components			
			Assembly and stamping	Engines and transmissions	Casting	Others	Maserati	Ferrari	Magneti Marelli	Teksid	Comau	
<b>2012</b>			144	30	21	2	4	1	2	64	6	14
<b>Plants</b>												
<b>Waste generated</b>												
Non-hazardous waste	1,720,410		904,062	140,340	31,661	14,887	419	7,817	70,293	547,686	3,245	
Hazardous waste	40,327		17,010	6,786	-	25	25	3,687	8,988	3,382	424	
<b>Total waste generated</b>	<b>1,760,737</b>		<b>921,072</b>	<b>147,126</b>	<b>31,661</b>	<b>14,912</b>	<b>444</b>	<b>11,504</b>	<b>79,281</b>	<b>551,068</b>	<b>3,669</b>	
of which packaging	75,332		52,053	9,255	6	383	321	807	11,294	779	434	
<b>Waste disposed</b>												
Waste to landfill	438,345		10,270	2,614	-	827	-	124	6,322	417,574	614	
Waste to treatment	31,219		10,303	5,309	1	38	48	7,532	6,461	1,210	317	
<b>Total waste disposed</b>	<b>469,564</b>		<b>20,573</b>	<b>7,923</b>	<b>1</b>	<b>865</b>	<b>48</b>	<b>7,656</b>	<b>12,783</b>	<b>418,784</b>	<b>931</b>	
<b>Waste recovered</b>												
Waste-to-energy conversion	19,950		14,144	1,251	298	-	-	1	2,296	1,709	251	
Waste recovery	1,271,223		886,355	137,952	31,362	14,047	396	3,847	64,202	130,575	2,487	
<b>Total waste recovered<sup>(4)</sup></b>	<b>1,291,173</b>		<b>900,499</b>	<b>139,202</b>	<b>31,660</b>	<b>14,047</b>	<b>396</b>	<b>3,848</b>	<b>66,498</b>	<b>132,284</b>	<b>2,738</b>	
waste recovered	73.3%		97.8%	94.6%	100.0%	94.2%	89.2%	33.4%	83.9%	24.0%	74.6%	
waste sent to landfill	24.9%		1.1%	1.8%	-	5.5%	-	1.1%	8.0%	75.8%	16.7%	
<b>2011</b>												
<b>Plants</b>	<b>150</b>		<b>31</b>	<b>22</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>2</b>	<b>69</b>	<b>6</b>	<b>13</b>	
<b>Waste generated</b>												
Non-hazardous waste	1,804,698		878,543	124,564	34,987	12,602	416	8,274	81,091	661,151	3,070	
Hazardous waste	50,614		19,451	10,590	-	-	26	3,020	10,885	5,993	649	
<b>Total waste generated</b>	<b>1,855,312</b>		<b>897,994</b>	<b>135,154</b>	<b>34,987</b>	<b>12,602</b>	<b>442</b>	<b>11,294</b>	<b>91,976</b>	<b>667,144</b>	<b>3,719</b>	
of which packaging	97,099		69,875	10,191	12	309	323	757	13,222	1,887	523	
<b>Waste disposed</b>												
Waste to landfill	547,056		14,423	5,535	184	521	-	129	8,999	516,474	791	
Waste to treatment	37,489		8,867	10,209	-	-	52	7,941	7,956	1,969	495	
<b>Total waste disposed</b>	<b>584,546</b>		<b>23,290</b>	<b>15,744</b>	<b>184</b>	<b>521</b>	<b>52</b>	<b>8,070</b>	<b>16,955</b>	<b>518,443</b>	<b>1,286</b>	
<b>Waste recovered</b>												
Waste-to-energy conversion	23,336		16,509	2,165	258	-	-	-	2,544	1,833	27	
Waste recovery	1,247,431		858,195	117,246	34,545	12,080	390	3,224	72,477	146,868	2,406	
<b>Total waste recovered<sup>(4)</sup></b>	<b>1,270,767</b>		<b>874,704</b>	<b>119,411</b>	<b>34,803</b>	<b>12,080</b>	<b>390</b>	<b>3,224</b>	<b>75,021</b>	<b>148,701</b>	<b>2,433</b>	
waste recovered	68.5%		97.4%	88.4%	99.5%	95.9%	88.2%	28.5%	81.6%	22.3%	65.4%	
waste sent to landfill	29.5%		1.6%	4.1%	0.5%	4.1%	-	1.1%	9.8%	77.4%	21.3%	

<sup>(4)</sup> Total waste recovered has been recalculated for 2011-2013 to align with GRI G4 indicator EN23, therefore also the total waste disposed figure changed.

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### Waste generated per unit of production

FCA worldwide (kg/unit of production)

	Targeted reduction 2020 vs 2010 (%)	2014	2013	2012	2011	2010	Unit of measurement
FCA Italy assembly and stamping	-15%	180.6	195.8	197.8	198.4	216.4	kg/vehicle produced
FCA US assembly and stamping	-10%	220.8	217.5	215.7	219.9	218.5	kg/vehicle produced
<b>Mass-Market Brand assembly and stamping</b>	<b>-14%</b>	<b>203.4</b>	<b>207.5</b>	<b>206.9</b>	<b>207.9</b>	<b>217.2</b>	<b>kg/vehicle produced</b>
FCA Italy engines and transmissions	-33%	16.3	16.4	16.6	18.8	20.9	kg/unit produced
FCA US engines and transmissions	-20%	19.3	21.1	24.7	27.0	24.7	kg/unit produced
<b>Mass-Market Brand engines and transmissions</b>	<b>-21%</b>	<b>17.9</b>	<b>18.5</b>	<b>18.6</b>	<b>17.5</b>	<b>21.3</b>	<b>kg/unit produced</b>
Mass-Market Brand casting	n.a.	320.9	282.1	234.1	276.2	179.0	kg/ton produced
Mass-Market Brand others	n.a.	4.0	4.0	3.5	7.3	2.4	kg/hour of production
Maserati	-5%	103.5	138.2	137.9	137.9	147.2	kg/vehicle produced
Ferrari	n.a.	3.80	3.5	3.7	3.7	3.0	kg/hour of production
Magneti Marelli	-30%	2.05	2.1	2.7	3.0	3.1	kg/hour of production
Teksid (cast iron)	-8%	1,244	1,307	1,245	1,250	1,250	kg/ton produced
Teksid (aluminum)	-12%	394.0	432.0	429.0	476.5	450.0	kg/ton produced
Comau	-34%	0.26	0.30	0.30	0.30	0.40	kg/hour of production
<b>FCA</b>	<b>up to -34%</b>						

### Hazardous waste generated per unit of production

FCA worldwide (m³/unit of production)

	Targeted reduction 2020 vs 2010 (%)	2014	2013	2012	2011	2010	Unit of measurement
FCA Italy assembly and stamping	-48%	5.0	6.7	6.7	8.5	11.5	kg/vehicle produced
FCA US assembly and stamping	-65%	1.3	1.2	1.5	1.7	2.8	kg/vehicle produced
<b>Mass-Market Brand assembly and stamping</b>	<b>-54%</b>	<b>2.9</b>	<b>3.8</b>	<b>4.1</b>	<b>5.5</b>	<b>8.2</b>	<b>kg/vehicle produced</b>
FCA Italy engines and transmissions	-74%	1.7	2.0	1.9	2.5	3.7	kg/unit produced
FCA US engines and transmissions	-50%	0.2	0.2	0.4	0.4	0.3	kg/unit produced
<b>Mass-Market Brand engines and transmissions</b>	<b>-75%</b>	<b>0.9</b>	<b>1.1</b>	<b>1.1</b>	<b>1.6</b>	<b>2.3</b>	<b>kg/unit produced</b>
Mass-Market Brand casting	n.a.	-	-	-	-	-	kg/ton produced
Mass-Market Brand others	n.a.	-	-	-	-	-	kg/hour of production
Maserati	-3%	9.5	12.8	12.5	12.5	14.2	kg/vehicle produced
Ferrari	n.a.	1.4	0.9	1.2	1.0	1.1	kg/hour of production
Magneti Marelli	-30%	0.3	0.3	0.3	0.4	0.4	kg/hour of production
Teksid (cast iron)	-17%	4.3	5.3	5.3	9.9	5.8	kg/ton produced
Teksid (aluminum)	-17%	16.0	72.4	61.9	48.8	32.7	kg/ton produced
Comau	-57%	0.02	0.1	0.1	0.1	0.1	kg/hour of production
<b>FCA</b>	<b>up to -75%</b>						

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### Recovery of waste

FCA worldwide (% waste recovered out of waste generated<sup>(5)</sup>)

	Target 2020	2014	2013	2012	2011	2010
FCA Italy assembly and stamping	97%	99.2%	99.1%	97.8%	98.2%	93.4%
FCA US assembly and stamping	95%	96.2%	97.4%	97.4%	96.1%	94.9%
<b>Mass-Market Brand assembly and stamping</b>	<b>97%</b>	<b>97.4%</b>	<b>98.1%</b>	<b>97.6%</b>	<b>97.2%</b>	<b>94.0%</b>
FCA Italy engines and transmissions	98%	94.6%	93.1%	92.0%	88.9%	82.5%
FCA US engines and transmissions	90%	83.1%	86.1%	93.6%	83.0%	85.3%
<b>Mass-Market Brand engines and transmissions</b>	<b>96%</b>	<b>87.0%</b>	<b>88.7%</b>	<b>92.3%</b>	<b>85.6%</b>	<b>83.0%</b>
Mass-Market Brand casting	95%	99.1%	99.7%	100.0%	99.5%	98.9%
Mass-Market Brand others	95%	94.4%	94.6%	94.2%	95.9%	93.2%
Maserati	91%	90.5%	91.5%	89.2%	88.2%	84.6%
Ferrari	50%	45.8%	46.1%	33.4%	28.5%	30.8%
Magneti Marelli	90%	87.6%	83.4%	83.9%	81.6%	82.6%
Teksid	45%	33.4%	24.3%	24.0%	22.3%	19.7%
Comau	95%	92.9%	83.8%	74.6%	65.4%	66.0%
<b>FCA</b>	<b>up to 98%</b>					

### Waste in landfill

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

	Target 2020	2014	2013	2012	2011	2010
FCA Italy assembly and stamping	-	0.4%	-	0.1%	0.2%	4.4%
FCA US assembly and stamping	2%	1.8%	2.2%	1.9%	3.1%	4.4%
<b>Mass-Market Brand assembly and stamping</b>	<b>1%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.1%</b>	<b>1.6%</b>	<b>4.4%</b>
FCA Italy engines and transmissions	-	0.8%	-	-	0.1%	0.5%
FCA US engines and transmissions	2%	1.6%	2.2%	4.1%	5.0%	5.6%
<b>Mass-Market Brand engines and transmissions</b>	<b>1%</b>	<b>1.5%</b>	<b>1.4%</b>	<b>1.8%</b>	<b>4.1%</b>	<b>3.5%</b>
Mass-Market Brand casting	2%	0.3%	0.3%	0.2%	0.9%	4.0%
Mass-Market Brand others	2%	4.5%	5.3%	3.0%	4.1%	6.9%
Maserati	-	-	-	-	-	-
Ferrari	-	-	-	1.1%	1.1%	1.5%
Magneti Marelli	3%	3.3%	4.7%	8.0%	9.8%	10.4%
Teksid	70%	66.4%	75.4%	75.8%	77.4%	80.1%
Comau	-	4.7%	6.5%	16.7%	21.3%	14.7%
<b>FCA</b>	<b>up to 0%</b>					

<sup>(5)</sup> Data restated to better align with GRI-G4 EN23 indicator requirements.

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## Details by Workforce

### Employees in Numbers

#### Workforce gender distribution by geographic area

FCA worldwide

	2014			2013			2012		
	workforce by geographic area (no.)	% men	% women	workforce by geographic area (no.)	% men	% women	workforce by geographic area (no.)	% men	% women
Europe	88,061	78.3	21.7	89,030	78.4	21.6	88,625	78.4	21.6
North America	85,521	76.2	23.8	81,365	77.6	22.4	73,713	78.0	22.0
Latin America	47,232	90.2	9.8	48,306	90.4	9.6	46,949	91.2	8.8
Asia	7,701	71.5	28.5	6,699	70.2	29.8	5,360	70.3	29.7
Rest of world	175	70.3	29.7	187	72.7	27.3	189	72.5	27.5
<b>Total</b>	<b>228,690</b>	<b>79.7</b>	<b>20.3</b>	<b>225,587</b>	<b>80.4</b>	<b>19.6</b>	<b>214,836</b>	<b>80.8</b>	<b>19.2</b>

#### Workforce gender distribution by category

FCA worldwide

	2014			2013			2012		
	workforce by category (no.)	% men	% women	workforce by category (no.)	% men	% women	workforce by category (no.)	% men	% women
Manager	2,426	86.8	13.2	2,409	86.9	13.1	2,302	86.9	13.1
Professional	33,202	81.4	18.6	31,302	81.7	18.3	29,051	81.8	18.2
Salaried	33,931	71.4	28.6	33,047	71.1	28.9	30,670	70.9	29.1
Hourly	159,131	81.1	18.9	158,829	82.0	18.0	152,813	82.6	17.4
<b>Total</b>	<b>228,690</b>	<b>79.7</b>	<b>20.3</b>	<b>225,587</b>	<b>80.4</b>	<b>19.6</b>	<b>214,836</b>	<b>80.8</b>	<b>19.2</b>

#### Workforce by geographic area and category

FCA worldwide (no.)

2014	2014					2013					2012						
	Total	Hourly	Salaried	Profes-	sional	Manager	Total	Hourly	Salaried	Profes-	sional	Manager	Total	Hourly	Salaried	Profes-	sional
Europe	88,061	55,690	14,737	16,490	1,144	89,030	57,137	14,857	15,857	1,179	88,625	57,576	14,526	15,392	1,131		
North America	85,521	63,541	9,371	11,502	1,107	81,365	60,145	9,014	11,151	1,055	73,713	54,356	8,406	9,959	992		
Latin America	47,232	37,258	6,352	3,480	142	48,306	38,826	6,242	3,085	153	46,949	38,695	5,309	2,794	151		
Asia	7,701	2,636	3,445	1,588	32	6,699	2,696	2,905	1,078	20	5,360	2,161	2,364	809	26		
Rest of world	175	6	26	142	1	187	25	29	131	2	189	25	65	97	2		
<b>Total</b>	<b>228,690</b>	<b>159,131</b>	<b>33,931</b>	<b>33,202</b>	<b>2,426</b>	<b>225,587</b>	<b>158,829</b>	<b>33,047</b>	<b>31,302</b>	<b>2,409</b>	<b>214,836</b>	<b>152,813</b>	<b>30,670</b>	<b>29,051</b>	<b>2,302</b>		

#### Workforce gender distribution by operating segment

FCA worldwide

	2014					2013					2012				
	workforce by operating segment (no.)	% men	% women	workforce by operating segment (no.)	% men	% women	workforce by operating segment (no.)	% men	% women	workforce by operating segment (no.)	% men	% women	workforce by operating segment (no.)	% men	% women
<b>Mass-Market Brands</b>	<b>158,539</b>	<b>81.1</b>	<b>18.9</b>	<b>154,074</b>	<b>82.0</b>	<b>18.0</b>	<b>145,372</b>	<b>82.7</b>	<b>17.3</b>						
of which FCA Italy <sup>(1)</sup>	78,138	85.8	14.2	77,786	85.9	14.1	77,259	86.1	13.9						
of which FCA US	80,401	76.5	23.5	76,288	78.0	22.0	68,113	78.9	21.1						
<b>Luxury Brands</b>	<b>4,125</b>	<b>86.3</b>	<b>13.7</b>	<b>3,677</b>	<b>87.5</b>	<b>12.5</b>	<b>3,489</b>	<b>87.8</b>	<b>12.2</b>						
of which Ferrari	2,858	89.0	11.0	2,787	89.5	10.5	2,719	89.4	10.6						
of which Maserati	1,267	80.2	19.8	890	81.1	18.9	770	81.9	18.1						
<b>Components</b>	<b>57,813</b>	<b>79.2</b>	<b>20.8</b>	<b>59,082</b>	<b>79.9</b>	<b>20.1</b>	<b>57,402</b>	<b>79.6</b>	<b>20.4</b>						
of which Magneti Marelli	38,156	72.3	27.7	38,157	72.6	27.4	36,911	71.8	28.2						
of which Comau	13,120	91.6	8.4	13,481	92.1	7.9	13,277	92.9	7.1						
of which Teksid	6,537	94.6	5.4	7,444	94.7	5.3	7,214	95.0	5.0						
<b>Others<sup>(2)</sup></b>	<b>8,213</b>	<b>53.6</b>	<b>46.4</b>	<b>8,754</b>	<b>53.3</b>	<b>46.7</b>	<b>8,573</b>	<b>54.2</b>	<b>45.8</b>						
<b>Total</b>	<b>228,690</b>	<b>79.7</b>	<b>20.3</b>	<b>225,587</b>	<b>80.4</b>	<b>19.6</b>	<b>214,836</b>	<b>80.8</b>	<b>19.2</b>						

<sup>(1)</sup> As of January 2013, Fiat Powertrain is included in FCA Italy: 2012 data restated accordingly, in order to ensure data comparability from year to year.

<sup>(2)</sup> Others includes companies operating in publishing, communications and services, and other companies.

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### Employees by country

FCA worldwide (%)

	2014	2013	2012
Italy	26.8	27.7	28.8
United States	26.0	24.4	22.3
Brazil	18.0	18.5	18.9
Mexico	6.5	6.7	6.8
Canada	4.9	4.9	5.2
Poland	4.0	4.0	4.8
Argentina	2.2	2.4	2.5
Serbia	1.7	1.8	1.5
Germany	1.2	1.2	1.3
France	1.0	1.2	1.2
Other countries	7.7	6.1	5.6
<b>Total (no.)</b>	<b>228,690</b>	<b>225,587</b>	<b>214,836</b>

### Nationality of managers

FCA worldwide

2014	managers (no.)	% of total managers
Italian	981	40.4
American	949	39.1
Brazilian	113	4.7
French	63	2.6
German	42	1.7
Polish	22	0.9
Other nationalities	256	10.6
<b>Total (no.)</b>	<b>2,426</b>	

### Managers of local nationality by geographic area

FCA<sup>(3)</sup> worldwide (%)

	2014
Europe	98.6
North America	97.0
Latin America	92.2
Asia	69.7
Rest of world	-

### Workforce by nationality minority group

FCA worldwide

	2014
Employees belonging to a nationality minority group <sup>(4)</sup> (no.)	4,552
of which men (%)	76.5
of which women (%)	23.5
over total workforce (%)	2.0

### Workforce by principal ethnic origin

FCA in North America (%)

	2014
Caucasian	57.4
African American	20.1
Hispanic	19.5
American Indian	0.2
Other	2.8

### Workforce gender distribution by contract and employment type

FCA worldwide

2014	Unlimited-term				Fixed-term			
	% men		% women		% men		% women	
<b>Total</b>	<b>77.0</b>		<b>18.8</b>		<b>2.8</b>		<b>1.4</b>	
	Unlimited-term				Fixed-term			
	Part-time		Full-time		Part-time		Full-time	
	% men	% women	% men	% women	% men	% women	% men	% women
Europe	12.3	87.7	79.6	20.4	66.7	33.3	60.9	39.1
North America	6.3	93.8	77.0	23.0	52.6	47.4	93.4	6.6
Latin America	66.7	33.3	90.3	9.7	66.7	33.3	83.9	16.1
Asia	75.0	25.0	71.2	28.8	-	100.0	73.2	26.8
Rest of world	-	-	70.3	29.7	-	-	-	-

<sup>(3)</sup> Ferrari and La Stampa managers not included in the calculation.

<sup>(4)</sup> Minority group reported in the table consists of employees with nationality different from country of work.

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### Workforce gender distribution by length of service

FCA worldwide

	2014			2013			2012		
	workforce by length of service (no.)	% men	% women	workforce by length of service (no.)	% men	% women	workforce by length of service (no.)	% men	% women
Up to 5 years	94,366	76.3	23.7	90,413	77.7	22.3	84,542	79.4	20.6
6 to 10 years	30,305	82.0	18.0	28,797	82.8	17.2	22,883	81.3	18.7
11 to 20 years	55,343	81.3	18.7	59,228	81.4	18.6	60,730	81.7	18.3
21 to 30 years	36,282	85.7	14.3	34,714	85.8	14.2	33,324	84.8	15.2
Over 30 years	12,394	76.0	24.0	12,435	74.8	25.2	13,357	75.3	24.7
<b>Total</b>	<b>228,690</b>			<b>225,587</b>			<b>214,836</b>		

### Workforce gender distribution by age

FCA worldwide

	2014			2013			2012		
	workforce by age (no.)	% men	% women	workforce by age (no.)	% men	% women	workforce by age (no.)	% men	% women
Up to 30 years	50,503	78.2	21.8	45,024	80.4	19.6	43,508	81.4	18.6
31 to 40 years	59,682	79.2	20.8	61,631	79.6	20.4	60,089	80.0	20.0
41 to 50 years	65,190	80.7	19.3	66,554	81.2	18.8	64,081	81.6	18.4
Over 50 years	53,315	80.7	19.3	52,378	80.5	19.5	47,158	80.4	19.6
<b>Total</b>	<b>228,690</b>			<b>225,587</b>			<b>214,836</b>		

### Workforce gender distribution by level of education

FCA worldwide

	2014			2013			2012		
	workforce by education (no.)	% men	% women	workforce by education (no.)	% men	% women	workforce by education (no.)	% men	% women
University degree or equivalent <sup>(5)</sup>	49,492	75.6	24.4	52,202	76.1	23.9	47,161	76.6	23.4
High school	94,626	81.0	19.0	100,369	82.7	17.3	91,933	83.6	16.4
Elementary/middle school	35,886	87.5	12.5	56,671	81.4	18.6	55,093	81.3	18.7
Not tracked <sup>(6)</sup>	48,686	75.8	24.2	16,345	76.9	23.1	20,649	77.1	22.9
<b>Total</b>	<b>228,690</b>			<b>225,587</b>			<b>214,836</b>		

### Talent attraction

FCA worldwide

	2014	2013	2012
New graduates recruited (no.)	1,776	1,810	1,816
Traineeships (no.)	2,917	2,765	2,540
Scholarships <sup>(7)</sup> (no.)	2,736	2,686	2,982
Scholarships (€ million)	3.9	1.9	2.5

### Individual performance appraisal (PLM, PBF) by gender<sup>(8)</sup>

FCA worldwide (%)

	2014	2013	2012
Men	89	84	80
Women	85	71	63

<sup>(5)</sup> Calculation subject to approximation resulting from the comparison of academic qualifications among different countries.

<sup>(6)</sup> Cases for which it is not possible to report level of education as the data is not always tracked in Group information systems, particularly with reference to hourly employees.

<sup>(7)</sup> Includes scholarships granted within the corporate program.

<sup>(8)</sup> Calculated over eligible employees.

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## Employee Turnover

### Geographic area

Europe	North America	Latin America
Employees at 31 Dec 2013	89,030	Employees at 31 Dec 2013
New Hires	5,178	New Hires
Departures	(4,701)	Departures
Δ scope of operations	(1,446)	Δ scope of operations
<b>Employees at 31 Dec 2014</b>	<b>88,061</b>	<b>Employees at 31 Dec 2014</b>
<b>Employees at 31 Dec 2014</b>	<b>85,521</b>	<b>Employees at 31 Dec 2014</b>
<b>Employees at 31 Dec 2014</b>	<b>175</b>	<b>Employees at 31 Dec 2014</b>
Asia	Rest of world	Total worldwide
Employees at 31 Dec 2013	6,699	Employees at 31 Dec 2013
New Hires	2,798	New Hires
Departures	(1,933)	Departures
Δ scope of operations	137	Δ scope of operations
<b>Employees at 31 Dec 2014</b>	<b>7,701</b>	<b>Employees at 31 Dec 2014</b>
<b>Employees at 31 Dec 2014</b>	<b>175</b>	<b>Employees at 31 Dec 2014</b>
<b>Employees at 31 Dec 2014</b>	<b>228,690</b>	<b>Employees at 31 Dec 2014</b>

### Category

Hourly	Salaried	Professional	Manager
Employees at 31 Dec 2013	158,829	Employees at 31 Dec 2013	31,221
New Hires	21,159	New Hires	4,637
Departures	(20,012)	Departures	(2,748)
Δ scope of operations	(845)	Δ scope of operations	(109)
<b>Hourly at 31 Dec 2014</b>	<b>159,131</b>	<b>Hourly at 31 Dec 2014</b>	<b>33,001</b>
<b>Hourly at 31 Dec 2014</b>	<b>34,132</b>	<b>Hourly at 31 Dec 2014</b>	<b>2,426</b>

### Category and geographic area

Hourly Europe	Hourly North America	Hourly Latin America
Employees at 31 Dec 2013	57,137	Employees at 31 Dec 2013
New Hires	1,930	New Hires
Departures	(2,459)	Departures
Δ scope of operations	(918)	Δ scope of operations
<b>Hourly at 31 Dec 2014</b>	<b>55,690</b>	<b>Hourly at 31 Dec 2014</b>
<b>Hourly at 31 Dec 2014</b>	<b>63,541</b>	<b>Hourly at 31 Dec 2014</b>
Hourly Asia	Hourly Rest of world	
Employees at 31 Dec 2013	2,696	Employees at 31 Dec 2013
New Hires	847	New Hires
Departures	(908)	Departures
Δ scope of operations	1	Δ scope of operations
<b>Hourly at 31 Dec 2014</b>	<b>2,636</b>	<b>Hourly at 31 Dec 2014</b>
<b>Hourly at 31 Dec 2014</b>	<b>6</b>	<b>Hourly at 31 Dec 2014</b>

### Age group<sup>(9)</sup>

Up to 30 years	31 to 40 years	41 to 50 years	Over 50 years
Employees at 31 Dec 2013	54,106	Employees at 31 Dec 2013	64,681
New Hires	18,845	New Hires	3,650
Departures	(13,040)	Departures	(3,959)
Δ scope of operations	144	Δ scope of operations	(783)
<b>Employees at 31 Dec 2014</b>	<b>60,055</b>	<b>Employees at 31 Dec 2014</b>	<b>63,589</b>
<b>Employees at 31 Dec 2014</b>	<b>63,025</b>	<b>Employees at 31 Dec 2014</b>	<b>42,021</b>

### Gender

Men	Women
Employees at 31 Dec 2013	181,435
New Hires	24,376
Departures	(22,334)
Δ scope of operations	(1,112)
<b>Men employees at 31 Dec 2014</b>	<b>182,365</b>
<b>Men employees at 31 Dec 2014</b>	<b>180,253</b>
<b>Men employees at 31 Dec 2014</b>	<b>46,325</b>

<sup>(9)</sup> Turnover by age does not cover employees that changed age group between 2013 and 2014.

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## Occupational Health and Safety

### Injuries by geographic area and gender

FCA worldwide (no.)

	2014			2013			2012		
	<b>total</b>	men	women	<b>total</b>	men	women	<b>total</b>	men	women
Europe	263	203	60	323	251	72	332		
North America	153	123	30	161	126	35	179		
Latin America	212	199	13	259	247	12	292		
Asia	11	10	1	5	5	-	5		
Rest of world	-	-	-	-	-	-	-		
<b>Total</b>	<b>639</b>	<b>535</b>	<b>104</b>	748	629	119	808		

### Days of absence<sup>(10)</sup> by geographic area and gender

FCA worldwide (no.)

	2014			2013			2012		
	<b>total</b>	men	women	<b>total</b>	men	women	<b>total</b>	men	women
Europe	9,326	7,006	2,320	10,407	8,174	2,233	10,709		
North America	7,695	6,371	1,324	8,762	6,176	2,586	10,534		
Latin America	3,484	3,279	205	5,378	5,088	290	5,689		
Asia	463	458	5	72	72	-	149		
Rest of world	-	-	-	-	-	-	-		
<b>Total</b>	<b>20,968</b>	<b>17,114</b>	<b>3,854</b>	24,619	19,510	5,109	27,081		

### Frequency Rate by geographic area and gender

FCA worldwide (accidents per 100,000 hours worked)

	2014			2013			2012		
	<b>total</b>	men	women	<b>total</b>	men	women	<b>total</b>	men	women
Europe	0.19	0.18	0.22	0.24	0.24	0.26	0.26		
North America	0.08	0.09	0.07	0.09	0.09	0.10	0.12		
Latin America	0.24	0.25	0.15	0.28	0.31	0.10	0.33		
Asia	0.05	0.06	0.03	0.07	0.10	-	0.09		
Rest of world	-	-	-	-	-	-	-		
<b>Total</b>	<b>0.15</b>	<b>0.15</b>	<b>0.13</b>	0.19	0.19	0.15	0.22		

### Severity Rate by geographic area and gender

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

	2014			2013			2012		
	<b>total</b>	men	women	<b>total</b>	men	women	<b>total</b>	men	women
Europe	0.07	0.06	0.09	0.08	0.08	0.08	0.08		
North America	0.04	0.05	0.03	0.05	0.05	0.07	0.07		
Latin America	0.04	0.04	0.02	0.06	0.06	0.02	0.06		
Asia	0.02	0.03	-	0.01	0.01	-	0.03		
Rest of world	-	-	-	-	-	-	-		
<b>Total</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	0.06	0.06	0.07	0.07		

### Occupational Illness cases by geographic area and gender

FCA worldwide (no.)

	2014			2013			2012		
	<b>total</b>	men	women	<b>total</b>	men	women	<b>total</b>	men	women
Europe	177	131	46	211	156	55	289		
North America	482	333	149	378	217	161	436		
Latin America	4	3	1	143	140	3	165		
Asia	-	-	-	-	-	-	-		
Rest of world	-	-	-	-	-	-	-		
<b>Total</b>	<b>663</b>	<b>467</b>	<b>196</b>	732	513	219	890		

### Occupational Illness Frequency Rate by geographic area and gender

FCA worldwide (cases of occupational illness per 100,000 hours worked)

	2014			2013			2012		
	<b>total</b>	men	women	<b>total</b>	men	women	<b>total</b>	men	women
Europe	0.13	0.12	0.17	0.16	0.15	0.20	0.23		
North America	0.26	0.24	0.34	0.22	0.16	0.46	0.29		
Latin America	-	-	0.01	0.16	0.18	0.02	0.19		
Asia	-	-	-	-	-	-	-		
Rest of world	-	-	-	-	-	-	-		
<b>Total</b>	<b>0.15</b>	<b>0.13</b>	<b>0.24</b>	0.18	0.16	0.28	0.24		

<sup>(10)</sup> Refers to the number of calendar days of absence (including Saturdays, Sundays and holidays) due to accidents that occurred to employees (hourly, salaried and professional) resulting in absence from work for more than three days, excluding the day the accident occurred. Excluded from the calculation are: days of absence due to accidents that occurred while traveling to and from work, including by private transportation.

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# Index of GRI-G4 Content

The report is prepared according to GRI-G4 - Comprehensive option.



The following table has been provided to help the reader in locating content within the document that relates to specific GRI-G4 indicators. Each indicator is followed by reference to the appropriate pages in the 2014 Sustainability Report, to the 2014 Financial Annual Report or to the FCA By-laws.

Page numbers also work as direct link to the related content in this Report or other sources.

## Key

SR = 2014 Sustainability Report  
AR = Annual Report at 31 December 2014  
BL = By-laws

- █ Fully disclosed
- Partially disclosed
- Not disclosed
- n.a.
- Not applicable

## General standard disclosures

DMA and Indicators	Publications	Page	Omission and reason	External Assurance
<b>Strategy and analysis</b>				
G4-1 Statement from the Chairman and the CEO	SR	15-17, 28	<span style="color: blue;">█</span>	YES-356-357
G4-2 Key impacts, risks, and opportunities	SR	28-29, 75-76, 78-79, 144		YES-356-357
<b>Organizational profile</b>				
G4-3 Name of the organization	BL SR	18	<span style="color: blue;">█</span>	YES-356-357
G4-4 Primary brands, products, and/or services	SR	18-23	<span style="color: blue;">█</span>	YES-356-357
G4-5 Location of the organization's headquarters	SR	358	<span style="color: blue;">█</span>	YES-356-357
G4-6 Countries where the organization operates	SR	18-25	<span style="color: blue;">█</span>	YES-356-357
G4-7 Nature of ownership and legal form	BL SR	18	<span style="color: blue;">█</span>	YES-356-357
G4-8 Markets served	SR	18-23	<span style="color: blue;">█</span>	YES-356-357
G4-9 Scale of the reporting organization	AR SR	12-14 18-23, 144-150, 325, 342-345	<span style="color: blue;">█</span>	YES-356-357
G4-10 Workforce characteristic	SR	342-344	<span style="color: blue;">█</span>	YES-356-357
G4-11 Employees covered by collective bargaining agreements	SR	230	<span style="color: blue;">█</span>	YES-356-357
G4-12 Organization's supply chain	SR	205-207	<span style="color: blue;">█</span>	YES-356-357
G4-13 Changes in organization's size, structure, ownership or its supply chain	SR	206, 323-325, 342-343	<span style="color: blue;">█</span>	YES-356-357
G4-14 Precautionary approach to risk management	SR	75-76, 78-79, 271-272, 276-279	<span style="color: blue;">█</span>	YES-356-357
G4-15 Externally developed charters, principles or initiatives to which the organization subscribes	SR	225-227	<span style="color: blue;">█</span>	YES-356-357
G4-16 Membership in associations or organizations	SR	134-140, 225-227	<span style="color: blue;">█</span>	YES-356-357
<b>Identified material aspects and boundaries</b>				
G4-17 Entities included in the organization reports	AR SR	275-291 18	<span style="color: blue;">█</span>	YES-356-357
G4-18 Reporting principles for defining report content	SR	133	<span style="color: blue;">█</span>	YES-356-357
G4-19 Material aspects identified in defining report content	SR	133	<span style="color: blue;">█</span>	YES-356-357
G4-20 Material aspects within the organization	SR	133	<span style="color: blue;">█</span>	YES-356-357
G4-21 Material aspects outside the organization	SR	133	<span style="color: blue;">█</span>	YES-356-357
G4-22 Restatements of information provided in earlier reports	SR	323-324	<span style="color: blue;">█</span>	YES-356-357
G4-23 Significant changes from previous reporting periods in scope and aspect boundaries	SR	323-324	<span style="color: blue;">█</span>	YES-356-357

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DMA and Indicators	Publications	Page	Omission and reason	External Assurance
<b>Stakeholder engagement</b>				
G4-24 Stakeholder groups engaged by the organization	SR	131-132		YES-356-357
G4-25 Identification and selection of stakeholders to engage	SR	131-132		YES-356-357
G4-26 Organization's approach to stakeholder engagement	SR	131-132		YES-356-357
G4-27 Key topics collected through stakeholder engagement	SR	131-132		YES-356-357
<b>Report profile</b>				
G4-28 Reporting period	SR	3		YES-356-357
G4-29 Date of the last report	SR	323-325		YES-356-357
G4-30 Reporting cycle	SR	3, 323-324		YES-356-357
G4-31 Contact point for questions regarding the report	SR	3		YES-356-357
G4-32 GRI Content Index	SR	347-355		YES-356-357
G4-33 External assurance	SR	356		YES-356-357
<b>Governance</b>				
G4-34 Governance structure	SR	26-27, 55-61, 64		YES-356-357
G4-35 Delegating authority for economic, environmental and social topics	SR	26-27		YES-356-357
G4-36 Positions with responsibility for economic, environmental and social topics	SR	26-27		YES-356-357
G4-37 Consultation between stakeholders and the highest governance bodies on economic, environmental and social topics	SR	26-27		YES-356-357
G4-38 Composition of highest governance bodies and its committees	SR	60-61		YES-356-357
G4-39 Executive powers of the Chairman	SR	60-61, 65		YES-356-357
G4-40 Qualification and expertise of highest governance bodies	SR	60-61		YES-356-357
G4-41 Processes to avoid conflicts of interest	SR	60-61, 67		YES-356-357
G4-42 Highest governance bodies and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	SR	26-27, 51		YES-356-357
G4-43 Measures taken to develop and enhance the highest governance bodies' collective knowledge of economic, environmental and social topics	SR	26-27		YES-356-357
G4-44 Evaluation of the Board of Directors' performance	SR	60-61		YES-356-357
G4-45 Highest governance bodies' role in the identification and management of economic, environmental and social impacts, risks, and opportunities	AR SR	100, 108-109 75-76, 78-79		YES-356-357
G4-46 Highest governance bodies' role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	AR SR	100, 108-109 75-76, 78-79		YES-356-357
G4-47 Frequency of the highest governance bodies' review of economic, environmental and social impacts, risks, and opportunities	SR	75-76, 78-79		YES-356-357
G4-48 Highest committee or position that formally reviews and approves the organization's sustainability report	SR	26-27		YES-356-357
G4-49 Communicating critical concerns to the highest governance bodies	SR	26-27		YES-356-357
G4-50 Critical concerns that were communicated to the highest governance bodies and the mechanism(s) used to address and resolve them			The information is subject to specific confidentiality constraints. The data is considered confidential.	YES-356-357
G4-51 Remuneration policies for highest governance bodies and senior executives	AR SR	134-139 60-62		YES-356-357
G4-52 Determining remuneration	SR	60-62		YES-356-357
G4-53 How stakeholders' views are sought and taken into account regarding remuneration	SR	60-62		YES-356-357

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DMA and Indicators	Publications	Page	Omission and reason	External Assurance
G4-54 Ratio of the annual compensations within the organization			The information is subject to specific confidentiality constraints. In some countries of presence this information is subject to confidential treatment.	YES-356-357
G4-55 Ratio of percentage increase in annual compensation within the organization			The information is subject to specific confidentiality constraints. In some countries of presence this information is subject to confidential treatment.	YES-356-357
<b>Ethics and integrity</b>				
G4-56 Organization's values, principles, standards and norms of behavior	SR	69-70		YES-356-357
G4-57 Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	SR	69-70		YES-356-357
G4-58 Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	SR	69-70, 75-76		YES-356-357
<b>Specific standard disclosures</b>				
<b>Economic</b>				
DMA and Indicators	Publications	Page	Omission and reason	External Assurance
<b>Material aspect: economic performance</b>				
G4-DMA Generic Disclosures on Management Approach	AR SR	142-146 241-242		YES-356-357
G4-EC1 Direct economic value generated and distributed	SR	141, 241-242		YES-356-357
G4-EC2 Financial implications, risks and opportunities for the organization's activities due to climate change	SR	28, 75-76, 144		YES-356-357
G4-EC3 Coverage of the organization's defined benefit plan obligations	SR	98		YES-356-357
G4-EC4 Financial assistance received from government	SR	225-227, 272		YES-356-357
<b>Material aspect: market presence</b>				
G4-DMA Generic Disclosures on Management Approach	SR	97		YES-356-357
G4-EC5 Ratios of standard entry level wage by gender compared to local minimum wage	SR	97		YES-356-357
G4-EC6 Proportion of senior management hired from the local community	SR	343		YES-356-357
<b>Material aspect: indirect economic impacts</b>				
G4-DMA Generic Disclosures on Management Approach	SR	75-76, 205-207, 218-222		YES-356-357
G4-EC7 Development and impact of infrastructure investments and services supported	SR	75-76, 145, 241-251		YES-356-357
G4-EC8 Significant indirect economic impacts	SR	75-76, 145, 147-148, 150-158, 195-200, 203, 205-207, 218-222, 241-251		YES-356-357
<b>Material aspect: procurement practices</b>				
G4-DMA Generic Disclosures on Management Approach	SR	205-207		YES-356-357
G4-EC9 Proportion of spending on local suppliers	SR	205-207		YES-356-357

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Environmental					
DMA and Indicators		Publications	Page	Omission and reason	External Assurance
<b>Material aspect: materials</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	147, 284-285		YES-356-357
G4-EN1	Materials used	SR	147, 284-285		YES-356-357
G4-EN2	Recycled input materials	SR	147, 188-189, 284-285		YES-356-357
<b>Material aspect: energy</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	272-293, 300		YES-356-357
G4-EN3	Energy consumption within the organization	SR	147, 201, 300, 326-328		YES-356-357
G4-EN4	Energy consumption outside of the organization	SR	293		YES-356-357
G4-EN5	Energy intensity	SR	147, 305, 328		YES-356-357
G4-EN6	Reduction of energy consumption	SR	125, 127, 201, 300		YES-356-357
G4-EN7	Reductions in energy requirements of products and services	SR	255-267, 271		YES-356-357
<b>Material aspect: water</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	306		YES-356-357
G4-EN8	Water withdrawal	SR	147, 307, 333-334		YES-356-357
G4-EN9	Water sources significantly affected by withdrawal	SR	308		YES-356-357
G4-EN10	Water recycled and reused	SR	150, 307, 334		YES-356-357
<b>Material aspect: biodiversity</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	312		YES-356-357
G4-EN11	Operational sites in, or adjacent to, protected areas and areas of high biodiversity value	SR	125, 312-313		YES-356-357
G4-EN12	Description of significant impacts on biodiversity	SR	312-313		YES-356-357
G4-EN13	Habitats protected or restored	SR	312-313		YES-356-357
G4-EN14	List of species with habitats in areas affected by operations, by level of extinction risk	SR	313		YES-356-357
<b>Material aspect: emissions</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	302-315		YES-356-357
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	SR	201, 302, 316, 329		YES-356-357
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	SR	201, 302, 316, 329		YES-356-357
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	SR	123, 201, 293, 316		YES-356-357
G4-EN18	Greenhouse gas (GHG) emissions intensity	SR	302, 316, 329		YES-356-357
G4-EN19	Reduction of greenhouse gas (GHG) emissions	SR	125, 127, 150, 201, 295, 300, 303, 316, 318-320		YES-356-357
G4-EN20	Emissions of ozone-depleting substances (ODS)	SR	305, 331		YES-356-357
G4-EN21	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions	SR	303-304, 331-332		YES-356-357
<b>Material aspect: effluents and waste</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	309		YES-356-357
G4-EN22	Water discharge	SR	150, 307, 333, 335-337		YES-356-357
G4-EN23	Waste disposal	SR	150, 309-310, 338-341		YES-356-357
G4-EN24	Significant spills	SR	297		YES-356-357
G4-EN25	Hazardous waste	SR	311		YES-356-357
G4-EN26	Biodiversity and habitats affected by the organization's discharges	SR	308		YES-356-357

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DMA and Indicators	Publications	Page	Omission and reason	External Assurance
<b>Material aspect: products and services</b>				
G4-DMA Generic Disclosures on Management Approach	SR	255-258, 280-282, 287-292	[redacted]	YES-356-357
G4-EN27 Mitigation of environmental impacts of products and services	SR	255-267, 271-282, 285, 287-291	[redacted]	YES-356-357
G4-EN28 Products sold and their packaging materials that are reclaimed	SR	291-292	[redacted]	YES-356-357
<b>Material aspect: compliance</b>				
G4-DMA Generic Disclosures on Management Approach	SR	73	[redacted]	YES-356-357
G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	SR	73, 297	[redacted]	YES-356-357
<b>Material aspect: transport</b>				
G4-DMA Generic Disclosures on Management Approach	SR	315	[redacted]	YES-356-357
G4-EN30 Environmental impacts of transport	SR	123, 316, 318, 321	[redacted]	YES-356-357
<b>Material aspect: overall</b>				
G4-DMA Generic Disclosures on Management Approach	SR	297	[redacted]	YES-356-357
G4-EN31 Environmental protection expenditures and investments	SR	297	[redacted]	YES-356-357
<b>Material aspect: supplier environmental assessment</b>				
G4-DMA Generic Disclosures on Management Approach	SR	209-213, 216	[redacted]	YES-356-357
G4-EN32 Suppliers screened using environmental criteria	SR	147, 209-211, 213, 216, 317	[redacted]	YES-356-357
G4-EN33 Actual and potential negative environmental impacts in the supply chain and actions taken	SR	147, 209-213, 216	[redacted]	YES-356-357
<b>Material aspect: environmental grievance mechanisms</b>				
G4-DMA Generic Disclosures on Management Approach	SR	69	[redacted]	YES-356-357
G4-EN34 Grievances about environmental impacts filed, addressed, and resolved	SR	69-70, 220-221	[redacted]	YES-356-357

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Social					
Labor practices and decent work					
DMA and Indicators		Publications	Page	Omission and reason	External Assurance
<b>Material aspect: employment</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	92-96, 98, 105		YES-356-357
G4-LA1	Number and rates of new employee hires and employee turnover	SR	92-96, 149, 345		YES-356-357
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR	98		YES-356-357
G4-LA3	Return to work and retention rates after parental leave	ISR	105		YES-356-357
<b>Material aspect: labor/management relations</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	239		YES-356-357
G4-LA4	Minimum notice periods regarding operational changes	SR	239		YES-356-357
<b>Material aspect: occupational health and safety</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	106-109, 112, 114		YES-356-357
G4-LA5	Workforce represented in health and safety committees	SR	112, 114, 120		YES-356-357
G4-LA6	Injuries, occupational diseases, lost days, absenteeism and total number of work-related fatalities	SR	110-111, 346		YES-356-357
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	SR	110-112, 114, 346		YES-356-357
G4-LA8	Health and safety topics covered in formal agreements with trade unions	SR	101		YES-356-357
<b>Material aspect: training and education</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	85-86, 88-90, 195		YES-356-357
G4-LA9	Training per employee	SR	89-91, 120, 146, 149, 192, 299		YES-356-357
G4-LA10	Programs for skills management and lifelong learning of employees	SR	89-91, 146, 195-200		YES-356-357
G4-LA11	Employees receiving regular performance and career development reviews	SR	85-86, 146, 344		YES-356-357
<b>Material aspect: diversity and equal opportunity</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	99-103		YES-356-357
G4-LA12	Composition of governance bodies and breakdown of employees per indicators of diversity	SR	99-104, 342-343		YES-356-357
<b>Material aspect: equal remuneration for women and men</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	87, 99		YES-356-357
G4-LA13	Ratio of basic salary and remuneration of women to men			The information is subject to specific confidentiality constraints. In some countries of presence this information is subject to confidential treatment.	YES-356-357
<b>Material aspect: supplier assessment for labor practices</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	209-211, 213, 218		YES-356-357
G4-LA14	Suppliers screened using labor practices criteria	SR	147, 209-211, 213, 218		YES-356-357
G4-LA15	Actual and potential negative impacts for labor practices in the supply chain and actions taken	SR	209-212, 218		YES-356-357
<b>Material aspect: labor practices grievance mechanisms</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	220-221		YES-356-357
G4-LA16	Grievances about labor practices filed, addressed, and resolved	SR	69-70, 220-221		YES-356-357

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Human rights					
DMA and Indicators		Publications	Page	Omission and reason	External Assurance
<b>Material aspect: investment</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	69-71, 208	[redacted]	YES-356-357
G4-HR1	Investment agreements and contracts that include human rights clauses or that underwent human rights screening	SR	69-71, 208	[redacted]	YES-356-357
G4-HR2	Employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations	SR	69-71	[redacted]	YES-356-357
<b>Material aspect: non-discrimination</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	69-71, 229-230	[redacted]	YES-356-357
G4-HR3	Incidents of discrimination and corrective actions taken	SR	69-72, 229-232	[redacted]	YES-356-357
<b>Material aspect: freedom of association and collective bargaining</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	69-71, 233	[redacted]	YES-356-357
G4-HR4	Risks to the right to exercise freedom of association and collective bargaining	SR	69-71, 209-210, 212 233-238	[redacted]	YES-356-357
<b>Material aspect: child labor</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	209-210, 212	[redacted]	YES-356-357
G4-HR5	Operations identified as having significant risk for incidents of child labor	SR	209-210, 212	[redacted]	YES-356-357
<b>Material aspect: forced or compulsory labor</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	209-210	[redacted]	YES-356-357
G4-HR6	Operations identified as having significant risk for incidents of forced or compulsory labor	SR	209-210, 212, 218	[redacted]	YES-356-357
<b>Material aspect: security practices</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	69-71	[redacted]	YES-356-357
G4-HR7	Security personnel trained on human rights policies	SR	69	[redacted] [redacted] The process for data collection is under development.	YES-356-357
<b>Material aspect: indigenous rights</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	241-242	[redacted]	YES-356-357
G4-HR8	Violations of the rights of indigenous peoples	SR	241-242	[redacted]	YES-356-357
<b>Material aspect: assessment</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	72	[redacted]	YES-356-357
G4-HR9	Operations subject to human rights reviews or impact assessments	SR	72	[redacted] [redacted] For a portion of the Group data is considered confidential. Evaluations for possible inclusion in the scope of disclosure are ongoing.	YES-356-357
<b>Material aspect: supplier human rights assessment</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	209-211, 213	[redacted]	YES-356-357
G4-HR10	Suppliers screened using human rights criteria	SR	147, 209-211, 213	[redacted]	YES-356-357
G4-HR11	Actual and potential negative human rights impacts in the supply chain and actions taken	SR	209-210, 212	[redacted]	YES-356-357
<b>Material aspect: human rights grievance mechanisms</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	69-70	[redacted]	YES-356-357
G4-HR12	Grievances about human rights impacts filed, addressed, and resolved	SR	69-70, 220-221	[redacted]	YES-356-357

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Society					External Assurance
DMA and Indicators		Publications	Page	Omission and reason	
<b>Material aspect: local communities</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	241-251		YES-356-357
G4-SO1	Operations with implemented local community engagement, impact assessments, and development programs	SR	92-96, 131-132, 151-158, 202-203, 241-251, 312		YES-356-357
G4-SO2	Operations with significant actual and potential negative impacts on local communities	SR	241-251		YES-356-357
<b>Material aspect: anti-corruption</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	69-71		YES-356-357
G4-SO3	Operations assessed for risks related to corruption	SR	69-71		YES-356-357
G4-SO4	Communication and training on anti-corruption policies and procedures	SR	69-71		YES-356-357
G4-SO5	Confirmed incidents of corruption and actions taken	SR	72		YES-356-357
<b>Material aspect: public policy</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	225-227		YES-356-357
G4-SO6	Value of political contributions	SR	225-227		YES-356-357
<b>Material aspect: anti-competitive behavior</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	73		YES-356-357
G4-SO7	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	SR	73		YES-356-357
<b>Material aspect: compliance</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	73		YES-356-357
G4-SO8	Fines and sanctions for non-compliance with laws and regulations	SR	73		YES-356-357
<b>Material aspect: supplier assessment for impacts on society</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	209-211, 213-215		YES-356-357
G4-SO9	Suppliers screened using criteria for impacts on society	SR	147, 209-211, 213-215		YES-356-357
G4-SO10	Actual and potential negative impacts on society in the supply chain and actions taken	SR	209-210, 212, 214-215		YES-356-357
<b>Material aspect: grievance mechanisms for impacts on society</b>					
G4-DMA	Generic Disclosures on Management Approach	SR	220-221		YES-356-357
G4-SO11	Grievances about impacts on society filed, addressed, and resolved	SR	69-70, 220-221		YES-356-357

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Product responsibility				
DMA and Indicators	Publications	Page	Omission and reason	External Assurance
<b>Material aspect: customer health and safety</b>				
G4-DMA	Generic Disclosures on Management Approach	SR	75-76, 286	
G4-PR1	Product and service categories for which health and safety impacts are assessed for improvement	SR	75-76, 272, 286	
G4-PR2	Incidents of non-compliance with regulations concerning the health and safety impacts of products and services during their life cycle	SR	73, 168	
<b>Material aspect: product and service labeling</b>				
G4-DMA	Generic Disclosures on Management Approach	SR	167, 179, 182-192, 284, 286	
G4-PR3	Product and service information	SR	193, 179, 217, 284, 286, 291-293	
G4-PR4	Incidents of non-compliance with regulations concerning product and service information and labeling	SR	73, 193	
G4-PR5	Results of surveys measuring customer satisfaction	SR	167, 183-192	
<b>Material aspect: marketing communications</b>				
G4-DMA	Generic Disclosures on Management Approach	SR	193	
G4-PR6	Sale of banned or disputed products	SR	193	
G4-PR7	Incidents of non-compliance with regulations concerning marketing communications	SR	73, 193	
<b>Material aspect: customer privacy</b>				
G4-DMA	Generic Disclosures on Management Approach	SR	191	
G4-PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	SR	191-192	
<b>Material aspect: compliance</b>				
G4-DMA	Generic Disclosures on Management Approach	SR	73	
G4-PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	SR	73	

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## Statement of Assurance

This Sustainability Report has been audited by an external independent company that provides verification, testing, analysis and certification of goods, services and systems. The scope of the audit is reported in the following letter.


**ASSURANCE STATEMENT**

**Assurance Statement for the Fiat Chrysler Automobiles N.V. 2014 Sustainability Report**

SGS Nederlands B.V. (SGS) was commissioned to conduct an independent assurance of the Fiat Chrysler Automobiles N.V. (FCA) 2014 Sustainability Report in its interactive formats which were prepared 'in accordance' to the Comprehensive option of the GRI-G4 Sustainability Reporting Guidelines.

**Responsibility of the Independent Auditor and of FCA N.V.**

SGS is responsible for expressing its opinion on information, graphs, tables and statements in the Sustainability Report, within the assurance scope described below, for the purpose of informing all interested parties. SGS expressly disclaims any liability or co-responsibility in the preparation of any of the material included in this document or in the process of collection and treatment of the data therein.

The information in the Sustainability Report is the exclusive responsibility of FCA N.V. The Group is responsible for identification of stakeholders and material issues, for defining objectives with respect to sustainability performance, and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

SGS affirms its independence from FCA N.V., being free from bias and conflict of interests with the Organization, its subsidiaries and stakeholders.

**Scope of Assurance**

SGS was asked to express an opinion in relation to the assurance scope, which includes the following aspects:

- evaluation of interactive version of the Report against the Global Reporting Initiative Guidelines (GRI-G4) with reference to 'in accordance' - Comprehensive option;
- review of the Group approach to materiality analysis and stakeholder engagement processes and initiatives;
- evaluation of quality and accuracy of sustainability material information, reported in the section Sustainability Disclosure of 2014 Annual Report, at 31 December 2014; assessment of the robustness of the data management systems, information flow and controls;
- assessment of the robustness of the data management systems, information flow and controls;
- performance of Type 2 evaluation of the application of the AA1000 AccountAbility Principles Standard (2008) and reliability of the information reported;
- completion of a high level assurance review of the information in the "Suppliers" section, with reference to a set of Key Performance Indicators related to supply chain processes and ESG' impacts monitoring.

SGS was also asked to confirm the adherence of the sustainability model adopted by the Group to the requirements of ISO 26000 Guidance.

**Methodology and Limitations**

The verification process started from materiality analysis and stakeholder engagement methodology validation activities and was performed through examination of records and documents, interviews with personnel and management and analysis of policies, procedures and practices adopted within the organization. The texts, graphs and tables included in the Report were verified by selecting, on a sample basis, qualitative and/or quantitative information to confirm the accuracy and reliability of the process for collecting and consolidating data.

Audit activities were carried out during February 2015 at Head Quarters in Turin and Auburn Hills and at Group sites in Italy (Turin), Poland (Tychy) and the United States (Sterling Heights) and covered the data and performance of the entire Group.

The audit team was assembled based on their technical know-how, experience and the qualifications of each member in relation to the various dimensions assessed.

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Financial data are drawn directly from the FCA N.V. Annual Report 2014 at 31 December 2014, already certified by the auditing firm.

#### Assurance Opinion

On the basis of the methodology described and the verification work performed, we are satisfied that the information contained in the FCA N.V. 2014 Sustainability Report is accurate, balanced and reliable, representing an important summary of the activities carried out by the Group in 2014 and an essential tool in communicating with stakeholders. SGS confirms that information included in the Report provide a material and complete representation of the Group sustainability performance. The verification process confirmed that the Report was prepared based on factual statements.

With reference to the GRI-G4, the Audit Team confirms the completeness and accuracy of KPIs reported within the Sustainability Report.

With regards to the level of adherence to the AA1000 Principles (Inclusivity, Materiality and Correspondence), the Audit Team provides the following opinion:

- the Group Multi-Stakeholder Engagement activities carried out represent a further step towards the continual goal to identify and prioritize economic, environmental and social aspects as well as impacts;
- the 2014 Materiality analysis was subjected to a thorough review and updated accordingly and this has fostered a deeper understanding of stakeholder expectations in the different regions of operation and led to the implementation of initiatives that are more effective at addressing their specific needs in order to match the Group priorities to stakeholders' expectations;
- the data measurement techniques and bases for calculations have been adequately described to SGS and no material inaccuracies in the data verified was observed;
- The Group's decision to prepare an additional verification of greenhouse gases emitted carried out according to UNI EN ISO 14064-3 criteria, further shows the Group's commitment to favoring complete and transparent communication of its carbon footprint.

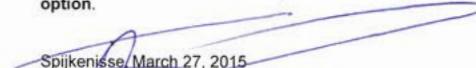
With reference to the high level assurance review of specified sustainability performance information presented in the "Suppliers" section, the audit team is of the opinion that the assessment of suppliers according to sustainability criteria is widely adopted by the Group and consists of an accurate screening process. Several initiatives are in place with regards to sustainable procurement, including training on sustainability issues. FCA N.V. works closely with internal clients and suppliers to integrate key environmental, social and governance considerations into its global purchasing processes, enabling responsible and sustainable economic success for the Group as a whole.

Furthermore, it is confirmed that the sustainability model adopted by FCA N.V. is in line with the requirements of the Social Responsibility Guidelines UNI ISO 26000; the performed analysis considered all Specific Aspects, the Actions and the Expectations related to the Seven Core Subjects mentioned in Clause 6 of the Guidance, confirming that FCA N.V. has already in place mechanisms, initiatives and policies to comply, in a satisfactory way, to the above mentioned core subjects.

#### Statement of conclusion

The information contained in the FCA N.V. 2014 Sustainability Report is reliable and complete in relation to the above mentioned AA1000 principles. Based on the auditing activities, nothing has come to our attention that causes us to believe that the information reported is not fairly stated.

With reference to the GRI-G4 Guidelines, the organization satisfies the principles for defining report content and the principles for ensuring the quality of reported information. We confirm that the Report is aligned with the requirements of the GRI-G4, 'in accordance' Comprehensive option.

  
Spijkenisse, March 27, 2015

Andre Siraa  
Business Manager  
SGS Nederland B.V.



# Contact

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